



鼎益豐控股集團國際有限公司

DING YI FENG HOLDINGS GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 00612

2024

ANNUAL REPORT



Index ▲ 1.56

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Luk Hong Man, Hammond
(Chief Executive Officer & Financial Controller)
Mr. Zhang Xi (Chief Investment Officer)

Non-executive Directors

Mr. Wang Mengtao (Vice-president of the Group)
Mr. Liang Wenzhi

Independent Non-executive Directors

Ms. Jing Siyuan
Mr. Zhang Aimin
Mr. Zhang Qiang

COMPANY SECRETARY

Ms. Hong Lai Ping

AUDIT COMMITTEE

Ms. Jing Siyuan (Chairman)
Mr. Zhang Aimin
Mr. Zhang Qiang

REMUNERATION COMMITTEE

Mr. Zhang Aimin (Chairman)
Ms. Jing Siyuan
Mr. Zhang Xi

NOMINATION COMMITTEE

Ms. Jing Siyuan (Chairman)
Mr. Zhang Aimin
Mr. Luk Hong Man, Hammond

RISK MANAGEMENT COMMITTEE

Mr. Zhang Aimin (Chairman)
Ms. Jing Siyuan
Mr. Luk Hong Man, Hammond
Mr. Lam Sin Kwai (non-Board member)

INVESTOR RELATIONS COMMITTEE

Mr. Zhang Qiang (Chairman)
Mr. Wang Mengtao
Mr. Liang Wenzhi
Mr. Luk Hong Man, Hammond
Mr. Zhang Xi

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Luk Hong Man, Hammond (Chairman)
Mr. Zhang Xi

CUSTODIAN

DBS Bank Ltd. Hong Kong Branch
18/F, The Center
99 Queen's Road Central
Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited
G/F, The Center
99 Queen's Road Central
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Confucius International CPA Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting
Council Ordinance
Rooms 1501-08
15/F, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

LEGAL ADVISERS

Loeb & Loeb LLP
2206-19 Jardine House
1 Connaught Place
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6602-03, Level 66
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

STOCK CODE

00612 (Listed on the Main Board of The Stock Exchange of
Hong Kong Limited)

WEBSITE

www.dyf.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

I am pleased to present the annual report of Ding Yi Feng Holdings Group International Limited and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024.

BUSINESS REVIEW

The Group is principally engaged in investment in listed and unlisted securities.

The bilateral relationship between the United States and China remains tense, with no significant improvement expected during the Trump administration. The imposition of high tariffs by the Trump administration could further exacerbate trade tensions, leading to increased costs for consumers and businesses, and potentially disrupting global supply chains. The aftermath of Hamas’s October 2023 attack on Israel has had far-reaching consequences across the Middle East. The weakening of Hamas and Hezbollah, along with the collapse of the Syrian government, has isolated Iran in the region. This could lead to a shift in regional power dynamics, but also poses risks of further conflict and instability. Although US President Donald Trump repeatedly declared last year that he would end the Ukraine war “in one day”, a peaceful resolution remains elusive. The ongoing conflict continues to create uncertainty in Europe, affecting global markets and energy supplies. Overall, the global landscape is marked by significant uncertainty and volatility. Staying informed and flexible will be essential for managing investments and navigating the complex interplay of geopolitical and economic factors.

FINANCIAL REVIEW

For the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$470,810,000 (2023: approximately HK\$310,932,000). The net loss for the year increased by approximately HK\$159,878,000 or 51.4% as compared to a net loss in the prior year, and this was primarily due to the (i) increase in net unrealised loss on financial assets at fair value through profit or loss (“FVTPL”) by approximately HK\$33,375,000 as compared to prior year and (ii) impairment loss on property, plant and equipment of approximately HK\$119,824,000 was recognised during the year (2023: Nil).

SECURITIES INVESTMENTS

The Board exercised caution while actively managing its investment portfolio in accordance with the Company’s investment objective and policy for the best interests of our shareholders.

Investment in listed securities

As at 31 December 2024, the Group held total listed securities classified under financial assets at FVTPL of approximately HK\$92,757,000 (2023: approximately HK\$380,775,000).

Investment in unlisted securities

As at 31 December 2024, the Group’s investment portfolio in unlisted securities of Shanghai Hongpeng Energy Technology Co., Ltd. (“**Shanghai Hongpeng**”), a company principally engaged in the business of research and development of nuclear fusion technology and development and commercial application of fusion neutron source products in the People’s Republic of China (“**PRC**”), which was classified under equity instrument at fair value through other comprehensive income (“**FVTOCI**”). The fair value of the investment in Shanghai Hongpeng was approximately HK\$21,283,000 (2023: approximately HK\$22,005,000).

INVESTMENT PORTFOLIO

We divide our strategy into three categories, namely long-term holding investment, mid-term private equity and venture capital and short-term trading of securities and other financial instruments. Our investments during the year 2024 were diverse and covered the following sectors: property development and management, construction works and environmental protection, clean energy and investment in innovation and technology.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments

As at 31 December 2024, the Group's securities investments in an entity with a value which exceeds 5% of the Group's total assets was HuiZhou Intelligence Technology Group Co., Ltd.

Details of above investments are disclosed in note 19 to this report.

The Group has established risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. The management will closely monitor the Group's investment portfolio.

Particulars of investments in listed and unlisted equity securities held by the Group as at 31 December 2024 and 2023 disclosed pursuant to Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") are as follows:

As at 31 December 2024

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's interests	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/ receivable during the year HK\$'000	% of gross assets of the Group	% of net assets of the Group
<i>Listed equity securities in Hong Kong</i>									
Hua Yin International Holdings Limited	Bermuda	1,042,000,000	14.46%	79,192	19,798	(59,394)	–	3.83%	3.95%
New Concepts Holdings Limited	Cayman Islands	156,740,000	9.76%	42,998	17,241	(25,757)	–	3.33%	3.44%
Jiading International Group Holdings Limited	Bermuda	3,906,250	1.06%	8,938	570	(8,368)	–	0.11%	0.11%
				131,128	37,609	(93,519)			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd.	PRC	100,000	Less than 0.01%	874	875	1	–	0.17%	0.17%
HuiZhou Intelligence Technology Group Co., Ltd.	PRC	15,000,000	0.75%	35,900	54,273	18,373	–	10.50%	10.83%
				36,774	55,148	18,374			
				167,902	92,757	(75,145)			

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Cost HK\$'000	Fair value HK\$'000	Accumulated unrealised gain (loss) HK\$'000	Net assets attributable to the Group HK\$'000	Dividend received/ receivable during the year HK\$'000	% of gross assets of the Group
<i>Unlisted investment in the PRC</i>								
Shanghai Hongpeng Energy Technology Co., Ltd.	PRC	10%	21,891	21,283	(608)	4,924	–	4.12%

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2023

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's interests	Market value		Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group	% of net assets of the Group
				Cost HK\$'000	HK\$'000				
<i>Listed equity securities in Hong Kong</i>									
Hong Kong Exchanges and Clearing Limited	Hong Kong	30,000	Less than 0.01%	7,983	8,040	57	–	0.75%	0.81%
Tencent Holdings Limited	Cayman Islands	40,000	Less than 0.01%	11,692	11,744	52	–	1.10%	1.19%
Hua Yin International Holdings Limited	Bermuda	1,042,000,000	14.46%	79,192	171,930	92,738	–	16.10%	17.38%
New Concepts Holdings Limited	Cayman Islands	156,740,000	9.76%	42,998	94,044	51,046	–	8.81%	9.51%
Jiading International Group Holdings Limited	Bermuda	78,125,000	4.26%	8,938	3,203	(5,735)	–	0.30%	0.32%
				150,803	288,961	138,158			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd.	PRC	100,000	Less than 0.01%	903	743	(160)	–	0.07%	0.08%
HuiZhou Intelligence Technology Group Co., Ltd.	PRC	19,850,000	0.99%	49,117	91,071	41,954	–	8.53%	9.21%
				50,020	91,814	41,794			
				200,823	380,775	179,952			

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Fair value		Accumulated unrealised gain (loss) HK\$'000	Net assets attributable to the Group HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group
			Cost HK\$'000	HK\$'000				
<i>Unlisted investment in the PRC</i>								
Shanghai Hongpeng Energy Technology Co., Ltd.	PRC	10%	21,891	22,005	114	5,013	–	2.06%

Going forward

Given the fluctuation in the worldwide financial markets, the Board will continue to identify any investment opportunities and manage the investment portfolio in accordance with the Company's investment objective and policy with a view of gaining good investment yields for our shareholders. The Board will monitor market development closely with a view of identifying attractive and long-term investment opportunities.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

The Group had bank balances and cash of approximately HK\$66,253,000 as at 31 December 2024 (2023: approximately HK\$173,342,000), representing approximately 12.8% (2023: approximately 16.2%) of the Group's total assets. As at 31 December 2024, the Group had no long-term borrowings of unsecured interest-bearing bonds (2023: approximately HK\$10,102,000).

Apart from the long-term debts, the Group had no short-term borrowings of unsecured interest-bearing bonds (2023: approximately HK\$34,792,000).

The Group's gearing ratio, being the total borrowings divided by equity attributable to owners of the Company, was not applicable as the Group did not have any borrowings as at 31 December 2024 (2023: approximately 4.5%).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital commitments in respect of property, plant and equipment which is contracted for but not provided for of approximately HK\$15,238,000 (2023: approximately HK\$15,754,000).

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2024, there were no charges on the Group's assets and the Group did not have any material contingent liabilities (2023: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). The management of the Group will closely monitor fluctuations in these currencies and take appropriate actions when needed. As at 31 December 2024, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. For the year ended 31 December 2024, the Group had major financial assets of approximately HK\$98,412,000 (2023: approximately HK\$139,986,000) which was denominated in RMB. The Group currently does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries by the Group during the year, except for the disposals of subsidiaries disclosed in note 33 to the consolidated financial statements, and in relation to such disposals, the Company has sought legal advice that they were in all material respects in compliance with the Listing Rules including Rule 21.04(3)(a) thereof.

CAPITAL STRUCTURE

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). During the year, there was no movements in the company's share capital.

Following a placing which completed on 17 April 2023, the Company obtained gross proceeds of approximately HK\$231,568,000. Up to 31 December 2023, the Group used (a) HK\$45.5 million (or 19.6% of the gross proceeds) to invest in listed securities (namely, listed equity securities in Hong Kong Exchanges and Clearing Limited (HK\$8.0 million); Tencent Holdings Limited (HK\$22.6 million); Jiading International Group Holdings Limited (HK\$5.9 million) and Alibaba Group Holding Limited (HK\$9 million) and (b) HK\$102.7 million (or 44.3% of the gross proceeds) for general working capital purposes. During the year, the Company fully utilized the balance of the gross proceeds in the amount of HK\$83.4 million (or 36.1% of the gross proceeds) for general working capital purposes.

MANAGEMENT DISCUSSION AND ANALYSIS



PROSPECTS

China's 5.0% GDP growth in 2024, surpassing the IMF's forecast of 4.8%, indicates resilience despite domestic challenges. The IMF's projection of steady global growth at 3.3% in 2024 and 2025 suggests a stable but modest expansion. The Federal Reserve's rate cut in December 2024, coupled with fewer projected cuts in 2025, signals a cautious approach to inflation and economic stability. Donald Trump's administration has brought significant changes to U.S. trade, fiscal, and regulatory policies. His tariffs policies could disrupt global trade, increase costs, and trigger retaliatory measures. The creation of an advisory body led by Elon Musk to address the U.S. national debt (now at \$36 trillion) suggests a focus on fiscal discipline. However, the feasibility and impact of such measures remain uncertain. The emergence of DeepSeek, a Chinese AI startup, highlights the rapid advancements in AI technology. Its cost-effective and energy-efficient approach could disrupt the AI industry, creating opportunities for early investors in AI-driven sectors. Under such highly uncertain environment, the Directors will take prudent strategies to manage our investment portfolio.

COMPLIANCE WITH THE APPLICABLE LAWS AND REGULATIONS

During the year ended 31 December 2024, the Group has in all material respects complied with the applicable requirements under the Companies Law (Revised) under the laws of the Cayman Islands, the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance under the laws of Hong Kong.

EMPLOYEES

As at 31 December 2024, the Company had 6 (2023: 28) employees including executive Directors. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. Upon enquiry by the Company of those who served as Director during the year ended 31 December 2024, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024, except for Mr. Wang Mengtao and Mr. Liang Wenzhi who have not responded to the Company's enquiry. In relation to such non-response of Mr. Wang Mengtao and Mr. Liang Wenzhi, the Company notes their lack of contact as disclosed in the Company's announcement dated 29 November 2024 and is considering the appropriate follow-up action, having regard to advices from external professional advisers. The Company will update the shareholders via publishing announcement(s) as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company had complied with all the applicable provisions of the Corporate Governance Code (the “Code Provision”) as set out in Appendix C1 to the Listing Rules, except for the deviation set out as below.

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of the chairman and the chief executive should be segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority, so that the job responsibilities are not concentrated on any one individual. While the post of chief executive was taken up throughout the year by an individual, the post of chairman has become vacate since February 2023. The Board is in the process of identifying a suitable candidate to fill in the vacancy for the post of chairman in order to be compliant with the requirement of this Code Provision. Further announcement will be made by the Company with regard to any appointment of the post of chairman of the Company as and when appropriate.

Code Provision F.2.2

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting (“AGM”). No chairman of the Board was available to attend the AGM of the Company held on 5 June 2024 as the Board was in the process of identifying suitable candidate to fill in the vacancy for the post of chairman. The said AGM was chaired by an executive Director.

CLOSURE OF REGISTER OF MEMBERS

The register of member of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the annual general meeting (“AGM”) to be held on 27 June 2025, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 June 2025.

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Luk Hong Man, Hammond (“Mr. Luk”), aged 44, was first appointed an executive Director in July 2011. Mr. Luk is the Chief Executive Officer and the Financial Controller of the Group. Mr. Luk is a member of the Chartered Professional Accountants of Canada. Mr. Luk is also a fellow member of the Hong Kong Institute of Directors and the Association of Chartered Certified Accountants respectively. Mr. Luk has a bachelor of laws from the University of London and a bachelor of commerce from the University of Alberta. Mr. Luk has over 22 years of experience in management accounting, financial control, internal audit and compliance with different companies in Canada and Hong Kong including the Group. Through joining the Group in July 2011 as an executive Director and financial controller and taking up additional duties as chief executive officer and a member of the risk management committee in April 2016, Mr. Luk has gained experience in investment management and corporate governance. Prior to joining the Group in July 2011, Mr. Luk had worked as an executive director and compliance officer in Media Asia Group Holdings Limited (stock code: 8075) and an executive officer in charge of the accounting and finance department in China Public Procurement Limited (stock code: 1094). Mr. Luk was an independent non-executive Director and a member of each of the Audit Committee and the Remuneration Committee of IBO Technology Company Limited (stock code: 2708) from December 2023 to April 2024.

Mr. Zhang Xi (“Mr. Zhang”), aged 55, has been an executive Director since February 2013. Mr. Zhang is the Chief Investment Officer of the Group. He has over 22 years of experience in the financial sector. Mr. Zhang is a Chartered Financial Analyst (CFA) charterholder. Mr. Zhang graduated with a bachelor’s degree in science (electrical engineering) from Shanghai Jiao Tong University in July 1991 and an International Master’s degree of Business Administration from York University in Canada in 1998. Mr. Zhang was an independent non-executive director of Media Asia Group Holdings Limited (stock code: 8075) from September 2009 to April 2020 and an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351) from March 2006 to July 2016.

NON-EXECUTIVE DIRECTORS

Mr. Wang Mengtao (“Mr. Wang”), aged 50, has been a non-executive Director since October 2016 and is the Vice-president of the Group.

Mr. Liang Wenzhi (“Mr. Liang”), aged 41, has been a non-executive Director since February 2023. Mr. Liang obtained a bachelor’s degree majoring in foreign languages in June 2006 from the Wuhan Institute of Technology in Hubei Province, the PRC.

BIOGRAPHICAL DETAILS OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Jing Siyuan (“Ms. Jing”), aged 48, has been an independent non-executive Director since May 2016. Ms. Jing has been general manager at Shenzhen An Ping Tai Management Consulting Co., Ltd (深圳市安平泰企業管理諮詢有限公司) since July 2015 and a full-time teacher of Neusoft Institute Guangdong since December 2022. Ms. Jing graduated from Lingnan University in Hong Kong with a master’s degree in international banking and finance in June 2019, Oxford Brookes University in the United Kingdom with a Bachelor of Science (Applied Accounting) in July 2008, and Henan University in the PRC with a diploma in Chinese language and literature education in July 2001. Ms. Jing was admitted as a member of the Association of Chartered Certified Accountants (“ACCA”) in October 2013. She obtained the certificate of qualified secretary of board of directors from the Shenzhen Stock Exchange in April 2013. Ms. Jing qualified as an Accounting Technician of the ACCA in May 2004.

Mr. Zhang Aimin (“Mr. Zhang AM”), aged 47, has been an independent non-executive Director since July 2016. Mr. Zhang AM is a director and chief executive officer of Zhejiang Xinyuan Education Sci-Tech Company Limited (浙江心元教育科技有限公司), a company principally engaged in the business of providing education consultancy and training related services. Mr. Zhang AM has over 13 years of experience in the education consultation fields. Mr. Zhang AM obtained a master of business administration from China Europe International Business School in September 2010 and a bachelor’s degree in international trade and economics from Beijing University in July 1999.

Mr. Zhang Qiang (“Mr. Zhang Q”), aged 39, has been an independent non-executive Director since November 2016. Mr. Zhang Q is a practising lawyer qualified in the People’s Republic of China and has over 13 years of experience in the practice of law in China. Mr. Zhang Q obtained his licence to practise law in China in February 2009 and a bachelor’s degree in law from Heilongjiang University in June 2007. Mr. Zhang Q also obtained a master’s degree in law from Renmin University of China in January 2018.

REPORT OF THE DIRECTORS



The Directors of the Company (the “Directors”) are pleased to present their annual report and the audited financial statements for the year ended 31 December 2024.

BUSINESS REVIEW AND PERFORMANCE

A review and outlook of the business of the Company and a discussion and analysis of the Group’s performance during the year and the material factors underlying its results and financial position are provided in the Management Discussion and Analysis set out on pages 3 to 8 of this annual report respectively. Description of the risks and uncertainties facing the Company can be found throughout this annual report.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investing in listed and unlisted securities. The activities of the subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 32 to 105. The Directors do not recommend the payment of a final dividend for the year.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 25 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company during the year are set out in note 26 to the consolidated financial statements. Under the Companies Law of the Cayman Islands, share premium of the Company is available for distributions or paying dividends to the shareholders subject to the provisions of its Memorandum (“Memorandum”) and Articles of Association (“Articles”) and a statutory solvency test. In accordance with Article 143 of the Articles, dividends may be declared and paid out of the profits of the Company or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared or paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the applicable law of the Cayman Islands. There were no reserves available for distribution in both years ended 31 December 2024 and 2023.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

The Group's entire revenue is derived from the Group's investments in listed and unlisted securities and financial institutions and thus the disclosure of customers and suppliers information would not be meaningful.

DIRECTORS

The Directors who held office during the year ended 31 December 2024 and up to the publication of this annual report are:

Executive Directors

Mr. Luk Hong Man, Hammond
Mr. Zhang Xi

Non-executive Directors

Mr. Wang Mengtao
Mr. Leung Ka Fai (resigned on 10 January 2024)
Mr. Liang Wenzhi

Independent Non-executive Directors

Ms. Jing Siyuan
Mr. Zhang Aimin
Mr. Zhang Qiang

At the forthcoming AGM, retirement and re-election of Directors will take place in accordance with the requirements in the Articles.

It is anticipated that none of the Directors proposed for re-election at the AGM will have a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND THE UNDERLYING SHARES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of each Director and the chief executive of the Company in the shares and the underlying shares of the Company and any associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(i) Long positions in shares as at 31 December 2024

Name of Director	Capacity	Number of shares	Approximate percentage of shareholding
Liang Wenzhi	Beneficial owner	14,789,600	0.95%
Wang Mengtao ("Mr. Wang")	Beneficial owner	1,768,000	0.11%

(ii) Long positions in underlying shares as at 31 December 2024

Name of Director	Capacity	Note	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(1)	500,000	0.03%
Zhang Xi	Beneficial owner	(1)	500,000	0.03%
Mr. Wang	Beneficial owner	(1)	350,000	0.02%

Note:

- (1) These share options are at an exercise price of HK\$3.39 per share of the Company with exercise period from 26 January 2023 to 25 January 2033.

Save as disclosed above, as at 31 December 2024, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

REPORT OF THE DIRECTORS

As at 31 December 2024, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that other than being a Director or chief executive of the Company, the following shareholders had notified the Company of the relevant interests amounting to 5% or more of the ordinary shares in issue:

Long position

Name	Number of shares	Type of interest	Approximately percentage of total issued share capital of the Company
HK DYF Int'l Holding Group Limited	198,030,400	Beneficial owner	12.68%
DingYiFeng International Holding Limited (Note 1)	198,030,400	Interest of controlled corporation	12.68%
Ms. Ma Xiaoqiu ("Ms. Ma")	208,550,400 (Note 2)	Beneficial owner and interest of controlled corporation	13.36%
Mr. Sui Guangyi ("Mr. Sui")	347,612,800 (Note 3)	Beneficial owner and interest of controlled corporation	22.26%

Note 1: DingYiFeng International Holding Limited is deemed to be interested in 198,030,400 shares through its controlled corporation, HK DYF Int'l Holding Group Limited.

Note 2: Of these shares, (i) 198,030,400 shares are held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which in turn held as to 50% by Ms. Ma. Ms. Ma is deemed to be interested in these shares by virtue of the SFO; and (ii) 10,520,000 shares are held by Ms. Ma.

Note 3: Of these shares, 198,030,400 shares are held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which is in turn held as to 50% by Mr. Sui. Mr. Sui is deemed to be interested in these shares by virtue of the SFO; and (ii) 149,582,400 shares are held by Mr. Sui.

Save as disclosed above, the Directors are not aware of any person who has an interest or short position in the shares or underlying shares of the Company (which is discloseable under Divisions 2 and 3 of the Part XV of the SFO), or is directly or is indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (which is discloseable under the Listing Rules).

SHARE OPTION SCHEME

Particulars of the Company's share option schemes, including a summary of the key scheme provisions and other details as required under Chapter 17 of the Listing Rules, are set out in note 27 to the consolidated financial statements.

REPORT OF THE DIRECTORS



DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme as disclosed in note 27 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

CONNECTED TRANSACTION AND DIRECTORS' INTEREST IN CONTRACT OF SIGNIFICANCE

Except as set out in note 29 to the consolidated financial statements, no other transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party in which a Director or a controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold nor redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2024, the Directors were not aware of any business or interest of the Directors and their associates that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group.

AUDIT COMMITTEE

The Audit Committee currently comprises independent non-executive Directors only, namely, Ms. Jing Siyuan (chairman), Mr. Zhang Aimin and Mr. Zhang Qiang. The composition and members of the Audit Committee comply with the requirement under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with the management of the Company including a review on the consolidated financial statements of the Group for the year ended 31 December 2024.

DIVIDEND POLICY

The Board has adopted a dividend policy under which, the Board, when considering the declaration and payment of dividends, should take into account factors including but not limited to the Group's financial results, cash flow situation, investment policy and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

Details of the Company's corporate governance are set out in the Corporate Governance Report on pages 18 to 26 of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules. Upon enquiry by the Company of those who served as Director during the year ended 31 December 2024, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024, except for Mr. Wang Mengtao and Mr. Liang Wenzhi who have not responded to the Company's enquiry.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISION

The Articles provide that the Directors are entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities which they may sustain or incur in their respective offices. During the year, appropriate directors' and officers' liabilities insurance coverage had been arranged in respect of legal action that might be taken against the Directors and officers of the Company.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or was subsisting during the year.

REPORT OF THE DIRECTORS



FIVE YEARS SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 106.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all the independent non-executive Directors are independent.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 were audited by Confucius International CPA Limited (“CICPA”) who will retire and seek for re-election at the forthcoming AGM.

On behalf of the Board

Ding Yi Feng Holdings Group International Limited

Luk Hong Man, Hammond

Executive Director

Hong Kong, 19 March 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of corporate governance practice of a listed company and is committed to adopting the requisite standards of corporate governance. The Directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024, except for the deviation set out as below.

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of the chairman and the chief executive should be segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority, so that the job responsibilities are not concentrated on any one individual. While the post of chief executive was taken up throughout the year by an individual, the post of chairman has become vacate since February 2023. The Board is in the process of identifying a suitable candidate to fill in the vacancy for the post of chairman in order to be compliant with the requirement of this Code Provision. Further announcement will be made by the Company with regard to any appointment of the post of chairman of the Company as and when appropriate.

Code Provision F.2.2

Code Provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting (“AGM”). No chairman of the Board was available to attend the AGM of the Company held on 5 June 2024 as the Board was in the process of identifying suitable candidate to fill in the vacancy for the post of chairman. The said AGM was chaired by an executive Director.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules. Upon enquiry by the Company of those who served as Director during the year ended 31 December 2024, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024, except for Mr. Wang Mengtao and Mr. Liang Wenzhi who have not responded to the Company’s enquiry. In relation to such non-response of Mr. Wang Mengtao and Mr. Liang Wenzhi, the Company notes their lack of contact as disclosed in the Company’s announcement dated 29 November 2024 and is considering the appropriate follow-up action, having regard to advices from external professional advisers. The Company will update the shareholders via publishing announcement(s) as and when appropriate.

BOARD OF DIRECTORS

Composition and role

Executive Directors

Mr. Luk Hong Man, Hammond

Mr. Zhang Xi

Non-executive Directors

Mr. Wang Mengtao

Mr. Leung Ka Fai (resigned on 10 January 2024)

Mr. Liang Wenzhi

Independent non-executive Directors

Ms. Jing Siyuan

Mr. Zhang Aimin

Mr. Zhang Qiang

CORPORATE GOVERNANCE REPORT



There is no relationship between members of the Board as referred to in paragraph B (h) of the Corporate Governance Code.

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance. The Board also monitors and maintains the Group's internal controls, and reviews its corporate governance standard. It also decides on matters such as annual and interim results, major transactions, Director's appointments or re-appointments, and dividend and accounting policies.

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors.

The Board is responsible to promote the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner which the affairs of the Company are managed, controlled and operated. The Directors are encouraged to give their views and input independently. There are also mechanisms in place whereby a Director may seek independent legal or other professional advice to assist with his discharge of duties to the Company.

The Board comprises two executive Directors, two non-executive Directors and three independent non-executive Directors. The biographical details of all Directors are presented on pages 9 and 10 of this annual report. At the forthcoming AGM, retirement and re-election of Directors will take place in accordance with the requirements in the Articles.

An independent non-executive Director, Ms. Jing Siyuan, possesses appropriate professional accounting qualifications and financial management expertise, which satisfies Rule 3.10(2) of the Listing Rules. Through positive contributions to the Board and committee works, the independent non-executive Directors provide independent views on important decisions in respect of strategic developments, corporate governance practices, financial reporting framework, internal controls and risk management.

During the year 2024, the Board maintained the Audit Committee, the Remuneration Committee and the Nomination Committee as required by the applicable rules. In April 2016, in order to strengthen the governance of the Company, the Board set up the Risk Management Committee and the Investor Relations Committee. The independent non-executive Directors bring independent judgement on issues of strategic direction, development, performance and risk management through their contribution at board meetings and committee work. Pursuant to Rule 3.13 of the Listing Rules, the Company has received from all the independent non-executive Directors an annual confirmation of independence, and accordingly the Board considers them to be independent.

CORPORATE GOVERNANCE REPORT

Board meetings and Directors' Attendance

The Board meets regularly and on other occasions when a Board decision is required on major issues. Details of Directors' attendance at the EGM, AGM and board meeting held in 2024 are set out in the following table:

Name of Directors	Meeting attended/held	
	Board meeting	AGM held on 5 June 2024
Executive Directors		
Mr. Luk Hong Man, Hammond	7/7	1/1
Mr. Zhang Xi	7/7	1/1
Non-executive Directors		
Mr. Wang Mengtao	3/7	1/1
Mr. Leung Ka Fai (resigned on 10 January 2024)	0/7	0/1
Mr. Liang Wenzhi	3/7	1/1
Independent Non-executive Directors		
Ms. Jing Siyuan	7/7	1/1
Mr. Zhang Aimin	7/7	1/1
Mr. Zhang Qiang	7/7	1/1

Directors' Training and Professional Development

During the year, all Directors participated in continuous professional development to develop and refresh their knowledge and skill by way of attending seminars, briefings or training courses and reading the relevant materials.

In addition, every newly appointed Director will receive an introduction on the first occasion of his appointment, so as to ensure that he has a proper understanding of the operations and business of the Company, and his responsibilities under the Listing Rules and relevant regulatory requirements.

CORPORATE GOVERNANCE REPORT

According to the records maintained by the Company, the training received by the Directors in compliance with the requirement of the Code on continuous professional development during the period from 1 January 2024 to 31 December 2024 are set out below:

Name of Directors	Reading materials	Attending seminars/ briefings/ training courses
Executive Directors		
Mr. Luk Hong Man, Hammond	✓	✓
Mr. Zhang Xi	✓	✓
Non-executive Directors		
Mr. Wang Mengtao	✓	✓
Mr. Leung Ka Fai (resigned on 10 January 2024)	-	-
Mr. Liang Wenzhi	✓	✓
Independent Non-executive Directors		
Ms. Jing Siyuan	✓	✓
Mr. Zhang Aimin	✓	✓
Mr. Zhang Qiang	✓	✓

Chairman and Chief Executive

During the year, Mr. Luk Hong Man, Hammond assumed the role of chief executive, a position he has taken up since 22 April 2016, and the role of chairman remained vacate throughout the year. The Board is considering how best to address the vacancy of the role of chairman and will make an announcement in this regard as and when appropriate.

Appointments, Re-election and Removal

All non-executive directors and independent non-executive Directors are appointed for terms of 3 years or less, and are subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

In accordance with our Articles, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every Director, including any appointed for a specific term, should be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Pursuant to Rule 3.21, Rule 3.25 and Rule 3.27A, during 2024 the Board has maintained the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing relevant aspects of the affairs of our Company. These committees are established with written terms of reference are available on our website and on the website of The Stock Exchange of Hong Kong Limited.

Audit Committee

The Audit Committee currently comprises independent non-executive Directors only, namely, Ms. Jing Siyuan (chairman), Mr. Zhang Aimin and Mr. Zhang Qiang. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and results of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management of the Company including a review of the consolidated financial statements of the Group for the year ended 31 December 2024.

The Group's 2024 audited financial statements have been duly reviewed by the Audit Committee with the auditor and in relation to which the members of the Audit Committee unanimously recommended for approval by the Board. The Audit Committee has concluded that it is satisfied with the professional performance of Confucius International CPA Limited ("CICPA") as the auditor of the Company and therefore recommends to the Board that CICPA be reappointed as the auditor of the Company, which will be put forward for Shareholders approval at the forthcoming annual general meeting.

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2024 consolidated financial statements of the Group, the Directors, both collectively and individually applied such degree of skill, care and diligence as may reasonably be expected of them under the Rule 3.08 of the Listing Rules.

CICPA was appointed as auditor of the Company until conclusion of the forthcoming AGM. The remuneration in respect of audit services provided by the auditor in relation to the audit of the Company's consolidated financial statements for the six months ended 30 June 2024 and for the year ended 31 December 2024 are as follows:

Audit services	HK\$960,000
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The Audit Committee held three meetings during 2024. The Committee reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management, including a review of the consolidated financial statements for the period ended 30 June 2024 and for the year ended 31 December 2024.

CORPORATE GOVERNANCE REPORT

The attendance of the Audit Committee meetings held during 2024 of those persons who were members of the committee in 2024 is as follows:

Audit Committee members	Meetings attended/held
Independent non-executive Directors	
Ms. Jing Siyuan, <i>Chairman</i>	3/3
Mr. Zhang Aimin	3/3
Mr. Zhang Qiang	3/3

Remuneration Committee

The Remuneration Committee currently comprises one executive Director, Mr. Zhang Xi and two independent non-executive Directors, namely, Mr. Zhang Aimin (chairman) and Ms. Jing Siyuan.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of all the Directors and senior management of the Company and making recommendations to the Board on the remuneration packages of individual executive Director and senior management.

The Remuneration Committee held one meeting during 2024 to discuss the remuneration package of Directors and made recommendation to the Board on the amount of discretionary bonus for the Directors and senior management, having regard to an individual's performance, market conditions and other relevant factors.

The attendance of the Remuneration Committee meeting held during 2024 of those persons who were members of the committee in 2024 is as follows:

Remuneration Committee members	Meetings attended/held
Executive Director	
Mr. Zhang Xi	1/1
Independent non-executive Directors	
Mr. Zhang Aimin, <i>Chairman</i>	1/1
Ms. Jing Siyuan	1/1

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee currently comprises one executive Director, Mr. Luk Hong Man, Hammond and two independent non-executive Directors, namely, Ms. Jing Siyuan (chairman) and Mr. Zhang Aimin.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of the independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Diversity

The Nomination Committee formulated the Board diversity policy and the Company has adopted the Board diversity policy in August 2013. The Company recognises and embraces the benefits of diversity in Board members. Selection of Board members will be based on a range of diversified perspectives, including but not limited to gender, age, ethnicity, cultural and educational background, or professional experience. All Board appointments will be based on merit and the needs of the Company's business while taking into account diversity. The Nomination Committee also monitors the implementation of this policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under this policy. As at the end of the year, the male to female ratio among the employees of the Group was 1 to 2, and the ratio at the board was 6 to 1.

The Nomination Committee held one meeting during 2024 to review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and review and discuss the Board diversity policy.

The attendance of the Nomination Committee meeting held during 2024 of those persons who were members of the committee in 2024 is as follows:

Nomination Committee members	Meeting attended/held
Executive Director	
Mr. Luk Hong Man, Hammond	1/1
Independent non-executive Directors	
Ms. Jing Siyuan, <i>Chairman</i>	1/1
Mr. Zhang Aimin	1/1

CORPORATE GOVERNANCE REPORT



RISK MANAGEMENT AND INTERNAL CONTROLS AND INTERNAL AUDIT

The Risk Management Committee is responsible for overseeing risk management matters in relation to the Group's investments and financial instruments in view of its investment objectives. Members of the Risk Management Committee include a non-Board member with expertise in risk management who takes the lead in the risk management process. The Risk Management Committee meets from time to time for evaluating, determining and monitoring the possible risks associated with carrying out any investments or transactions with reference to the inside information safeguards of the Group and their implications under the Listing Rules, the inside information provisions under the SFO together with external advice as appropriate, and advising the Board to adopt the appropriate risk mitigation measures. The Risk Management Committee goes through a conventional methodology for its risk management process, which involves risk identification, risk assessment, risk responses, risk monitoring and reporting, which also brings to the attention of the Board any matters of interest.

The Board has the responsibility to maintain an effective internal control system in order to safeguard the Group's assets and protect the shareholders' interests and to enable proper accounting records to be kept for management and financial reporting purposes. The Board recognises that the system should provide reasonable but not absolute assurances against material misstatement or loss. The Board assesses the effectiveness of the internal control system and procedures through discussions with the Directors and those responsible for internal control and internal audit from time to time.

The Board believes that the existing risk management and internal control system is adequate and effective.

COMPANY SECRETARY

Ms. Hong Lai Ping was appointed as the Company Secretary of the Company on 5 February 2010. The Company Secretary reports to the Directors of the Company and is responsible for advising the Board on governance matters. According to the Rule 3.29 of the Listing Rules, the Company Secretary has taken not less than 15 hours of relevant professional training during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility for preparing the Group's consolidated financial statements in accordance with statutory requirements and applicable accounting standards. The responsibilities of the Directors are to prepare the financial accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Directors also acknowledge that the publication of the consolidated financial statements should be distributed to the shareholders of the Company in a timely manner. In preparing the accounts for the year ended 31 December 2024, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent, fair and reasonable and prepared accounts on a going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Procedures for convening an extraordinary general meeting and putting forward proposals at general meeting

Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company at the Units 6602–03, Level 66, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions under the Company's Articles or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

ENQUIRIES TO THE BOARD

The Board always welcomes shareholders' views and input. Shareholders may at any time send their enquiries and concerns to the Board by addressing them to the Company Secretary of the Company and the contact details are as follows:

Company Secretary

Ding Yi Feng Holdings Group International Limited

Units 6602–03, Level 66, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Email: info@dyf.com.hk

Tel. No.: (852) 2838 9806

Fax No.: (852) 2838 6782

During the year, the Company Secretary was required to report to the investor relations committee communications from the shareholders of the Company that she has received via the above means of contact for the committee to assess the communications, any concerns therein, and how to address any such concern as appropriate.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2024, the Company has not made any changes to its constitutional documents.

INDEPENDENT AUDITOR'S REPORT



天健國際會計師事務所有限公司
Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-1508室
Rooms 1501-8, 15/F., Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170
電郵 Email: info@pccpa.hk

TO THE MEMBERS OF DING YI FENG HOLDINGS GROUP INTERNATIONAL LIMITED

鼎益豐控股集團國際有限公司

(Incorporated as an exempted company in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ding Yi Feng Holdings Group International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 105, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Impairment assessment of property, plant and equipment

Refer to note 14 to the consolidated financial statements

The carrying amount of property, plant and equipment was approximately HK\$303,399,000 as at 31 December 2024 including land and buildings in the People's Republic of China ("PRC") amounting to approximately HK\$300,635,000. Based on management's assessment, an impairment loss of approximately HK\$119,824,000 is recognised on property, plant and equipment for the year ended 31 December 2024.

We identified the impairment assessment of property, plant and equipment as a key audit matter due to the significance of balance on the consolidated statement of financial position as at 31 December 2024 and the significant judgement and estimates were made by the management in: (i) identifying whether any impairment indicators existed for the assets during the year; (ii) determining the appropriate recoverable amounts, being higher of the fair value less costs of disposal and value in use; and (iii) selecting key assumptions to be adopted in the valuation model for the impairment assessments, including market unit sales price per square meter. The recoverable amount was determined by the management with reference to the valuation performed by an independent professional valuer (the "Valuer") engaged by the Group.

How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment of property, plant and equipment included the following:

- assessing the competence, capabilities, independence and objectivity of the Valuer;
- assessing the valuation methodology used by the Valuer, validating the observable inputs using external market data, assessing the appropriateness of the key bases and assumptions used in the valuation, including market unit sales price per square meter, and discussing these bases and assumptions with the management and the Valuer;
- challenging the reasonableness of the key assumptions used in the valuation based on our knowledge of the business and industry;
- obtaining supportive evidence for the significant judgements and estimates of the valuation and the key inputs used in the valuation model; and
- checking the mathematical accuracy of the valuation.

Based on available evidence, we consider that the bases and assumptions used by the management in the impairment assessment of the property, plant and equipment as at the year-end date were reasonable.

INDEPENDENT AUDITOR'S REPORT



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Confucius International CPA Limited

Certified Public Accountants

Wong Kam Hing

Practising Certificate Number: P05697

Hong Kong, 19 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	5	1,351	1,134
Other income, gains and (losses)	6	(121,995)	(4,395)
Net realised (loss) gain on disposals of financial assets at fair value through profit or loss		(2,962)	5,870
Net unrealised loss on financial assets at fair value through profit or loss		(243,940)	(210,565)
		(367,546)	(207,956)
Net gains on disposals/deregistrations of subsidiaries	33	8,922	33,196
Administrative expenses		(110,605)	(118,969)
Finance costs	8	(3,571)	(8,797)
Loss before taxation	9	(472,800)	(302,526)
Taxation	10	1,990	(8,406)
Loss for the year attributable to owners of the Company		(470,810)	(310,932)
Loss per share	13		
– Basic (HK cents per share)		(30.15)	(20.45)
– Diluted (HK cents per share)		(30.15)	(20.45)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the year attributable to owners of the Company	(470,810)	(310,932)
Other comprehensive expense:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instrument at fair value through other comprehensive income	(920)	(10,696)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(15,758)	(15,937)
Other comprehensive expense for the year, net of tax	(16,678)	(26,633)
Total comprehensive expense attributable to owners of the Company	(487,488)	(337,565)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment	14	303,399	445,705
Intangible assets	15	2,156	4,995
Right-of-use assets	16	9,161	21,724
Equity instrument at fair value through other comprehensive income	18	21,283	22,005
Financial assets at fair value through profit or loss	19	37,609	269,177
Rental and utility deposits	17	3,726	5,381
		377,334	768,987
Current assets			
Prepayments, deposits and other receivables	17	18,360	13,934
Financial assets at fair value through profit or loss	19	55,148	111,598
Bank balances and cash	20	66,253	173,342
		139,761	298,874
Current liabilities			
Accruals and other payables	21	5,752	8,737
Borrowings	22	–	34,792
Lease liabilities	23	8,300	13,330
Tax payable		–	8
		14,052	56,867
Net current assets		125,709	242,007
Total assets less current liabilities		503,043	1,010,994
Non-current liabilities			
Borrowings	22	–	10,102
Deferred tax liabilities	24	–	2,018
Lease liabilities	23	1,909	9,629
		1,909	21,749
Net assets		501,134	989,245

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Capital and reserve			
Share capital	25	78,072	78,072
Reserves		423,062	911,173
Total equity		501,134	989,245
Net asset value per share	13	HK\$0.32	HK\$0.63

The consolidated financial statements on pages 32 to 105 were approved and authorised for issue by the Board of Directors on 19 March 2025 and are signed on its behalf by:

Luk Hong Man, Hammond
Director

Zhang Xi
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	FVTOCI reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	71,014	1,031,217	10,528	2,104	485,318	-	(503,489)	1,096,692
Loss for the year	-	-	-	-	-	-	(310,932)	(310,932)
Other comprehensive expense for the year:								
Fair value loss on equity instrument at fair value through other comprehensive income ("FVTOCI")	-	-	-	-	-	(10,696)	-	(10,696)
Exchange differences arising on translation of foreign operations	-	-	(15,937)	-	-	-	-	(15,937)
Total comprehensive expense for the year	-	-	(15,937)	-	-	(10,696)	(310,932)	(337,565)
Issue of shares by placement	7,018	224,550	-	-	-	-	-	231,568
Share issue expenses	-	(6,947)	-	-	-	-	-	(6,947)
Exercise of share options	40	835	-	(229)	-	-	-	646
Recognition of equity-settled share-based payments	-	-	-	4,335	-	-	-	4,335
Share options lapsed	-	-	-	(1,330)	-	-	1,330	-
Disposals/deregistrations of subsidiaries	-	-	516	-	-	-	-	516
Derecognition of investment in equity instrument at FVTOCI	-	-	-	-	-	10,696	(10,696)	-
At 31 December 2023 and 1 January 2024	78,072	1,249,655	(4,893)	4,880	485,318	-	(823,787)	989,245
Loss for the year	-	-	-	-	-	-	(470,810)	(470,810)
Other comprehensive expense for the year:								
Fair value loss on equity instrument at FVTOCI	-	-	-	-	-	(920)	-	(920)
Exchange differences arising on translation of foreign operations	-	-	(15,758)	-	-	-	-	(15,758)
Total comprehensive expense for the year	-	-	(15,758)	-	-	(920)	(470,810)	(487,488)
Recognition of equity-settled share-based payments	-	-	-	(514)	-	-	-	(514)
Share options lapsed	-	-	-	(545)	-	-	545	-
Disposals of subsidiaries	-	-	(109)	-	-	-	-	(109)
Derecognition of investment in equity instrument at FVTOCI	-	-	-	-	-	920	(920)	-
At 31 December 2024	78,072	1,249,655	(20,760)	3,821	485,318	-	(1,294,972)	501,134

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Operating activities			
Loss for the year		(470,810)	(310,932)
Adjustments for:			
Taxation	10	(1,990)	8,406
Depreciation of property, plant and equipment	14	11,415	12,236
Depreciation of right-of-use assets	16	12,443	13,081
Dividend income		(117)	–
Interest income		(1,584)	(1,461)
Interest expenses	8	3,571	8,797
Net gains on disposals/deregistrations of subsidiaries	33	(8,922)	(33,196)
Impairment loss on intangible assets	15	1,942	4,811
Impairment loss on property, plant and equipment	14	119,824	–
Loss on disposal of property, plant and equipment		4	43
Write off of rental deposits		–	118
Write off of other deposits		375	–
Equity-settled share-based payments		(514)	4,335
Net realised loss (gain) on disposals of financial assets at fair value through profit or loss ("FVTPL")		2,962	(5,870)
Net unrealised loss on financial assets at FVTPL		243,940	210,565
Operating cash flows before movements in working capital		(87,461)	(89,067)
Increase in prepayments, deposits and other receivables		(3,018)	(8,112)
(Decrease) increase in accruals and other payables		(17)	194
Proceeds from disposals of financial assets at FVTPL		38,767	62,012
Purchase of financial assets at FVTPL		–	(45,539)
Cash used in operations		(51,729)	(80,512)
Dividend received		117	–
Interest received		1,277	1,045
Income tax paid		(8)	(8)
Net cash used in operating activities		(50,343)	(79,475)
Investing activities			
Purchase of property, plant and equipment		(1,050)	(2,771)
Proceeds on disposal of property, plant and equipment		100	31
Net cash inflow from disposals of subsidiaries	33	6,235	22,911
Purchase of equity instrument at FVTOCI		–	(21,891)
Net cash from (used in) investing activities		5,285	(1,720)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Financing activities			
Interest paid	32	(1,452)	(5,469)
Repayment of lease liabilities	32	(13,771)	(13,917)
Net proceeds from issue of shares		–	225,267
Proceeds from borrowings raised	32	–	12,000
Repayment of borrowings	32	(46,152)	(63,500)
Net cash (used in) from financing activities		(61,375)	154,381
Net (decrease) increase in cash and cash equivalents			
Effect of foreign exchange rate changes		(656)	(873)
Cash and cash equivalents at beginning of the year		173,342	101,029
Cash and cash equivalents at end of the year			
Represented by bank balances and cash	20	66,253	173,342

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Ding Yi Feng Holdings Group International Limited (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The principal activities of the Company and its subsidiaries (the “Group”) are investing in listed and unlisted securities. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁴

¹ Effective date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of preparation of consolidated financial statements *(Continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of consolidation *(Continued)*

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including land and buildings, leasehold improvements, office equipment and motor vehicles are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Impairment on property, plant and equipment, intangible assets and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, intangible assets and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to certain leases of office premise that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as lessee (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as lessee (Continued)

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees (including directors)

Equity-settled share-based payments to employees (including directors) and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income and dividend income which are derived from the Group's ordinary course of business are presented as revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

*Classification and subsequent measurement of financial assets *(Continued)**

(i) **Amortised cost and interest income**

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) **Equity instruments designated as at FVTOCI**

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the dividend income line item in profit or loss.

(iii) **Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the revenue line item in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including financial assets included in prepayments, deposits and other receivables and bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)**

For all instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) **Significant increase in credit risk**

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)**

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

*Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)**

(v) Measurement and recognition of ECL *(Continued)*

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Foreign exchange gain and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other income, gains and (losses)" line item as part of the net foreign exchange gains (losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other income, gains and (losses)" line item as part of the gain (loss) from changes in fair value of financial assets;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debit or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including accruals and other payables, borrowings and lease liabilities) are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other income, gains and (losses)" line item in profit or loss as part of net foreign exchange gains (losses) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered at the end of the reporting period respectively.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks or other financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value, and are within three months of maturing at acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Related parties

A related party is a person or an entity that is related to the Group.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- (i) the person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Useful lives of property, plant and equipment

The Group depreciates property, plant and equipment over their estimated useful life after taking into account their estimated residual values, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the amounts that the directors estimate that the Group would currently obtain from the disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax asset

The recognition of deferred tax assets depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place.

Fair value measurement of financial instruments

As at 31 December 2024, the Group's equity instrument at FVTOCI amounting to approximately HK\$21,283,000 (2023: approximately HK\$22,005,000) is measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing unstable global economic environment has resulted in greater market volatility and may affect the investees' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including market unit sales price per square meter.

5. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2024 HK\$'000	2023 HK\$'000
Dividend income from listed investments	117	–
Interest income from banks and financial institutions	1,234	1,134
	1,351	1,134

6. OTHER INCOME, GAINS AND (LOSSES)

	2024 HK\$'000	2023 HK\$'000
Effective interest income from rental deposits	350	327
Impairment loss on intangible assets	(1,942)	(4,811)
Impairment loss on property, plant and equipment	(119,824)	–
Net foreign exchange losses	(202)	(253)
Loss on disposal of property, plant and equipment	(4)	(43)
Write off of rental deposits	–	(118)
Write off of other deposits	(375)	–
Refund of interest expenses on borrowings	–	505
Others	2	(2)
	(121,995)	(4,395)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

7. SEGMENT INFORMATION

For the years ended 31 December 2024 and 2023, the Group's revenue was interest income from banks and financial institutions and dividend income from listed investments. The directors of the Company consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating profits. The Group's segment revenue, assets and liabilities for the year, analysed by geographical markets, are as follows:

	Hong Kong		The People's Republic of China ("PRC")		Consolidated	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Segment revenue:						
Dividend income from listed investments	117	–	–	–	117	–
Interest income from banks and financial institutions	1,206	1,038	28	96	1,234	1,134
	1,323	1,038	28	96	1,351	1,134
Non-current assets*	50,620	291,117	322,988	472,489	373,608	763,606
Total assets	120,314	480,856	396,781	587,005	517,095	1,067,861
Total liabilities	14,029	65,239	1,932	13,377	15,961	78,616
Other segment information:						
Additions to property, plant and equipment	1,050	2,771	–	–	1,050	2,771
Additions to right-of-use assets	–	18,883	–	–	–	18,883

* The non-current assets information above is based on the locations of the assets and excluded rental and utility deposits.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest expenses on:		
Interest-bearing loan notes	–	778
Interest-bearing bonds (note 22)	2,393	6,317
Lease liabilities	1,178	1,702
	3,571	8,797

9. LOSS BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
The Group's loss before taxation has been arrived at after charging (crediting) the following items:		
Employee benefits expenses (including directors' emoluments):		
Basic salaries, allowances and benefits in kind (note i)	31,305	29,120
Retirement benefits scheme contributions	454	520
Equity-settled share-based payments	(514)	4,335
Total employee benefits expenses	31,245	33,975
Auditor's remuneration	960	795
Depreciation of property, plant and equipment	11,415	12,236
Depreciation of right-of-use assets	12,443	13,081
Expenses related to short-term leases	803	736
Loss on disposal of property, plant and equipment	4	43
Write off of rental deposits	–	118
Write off of other deposits	375	–
Impairment loss on intangible assets	1,942	4,811
Impairment loss on property, plant and equipment (note 14)	119,824	–
Net foreign exchange losses	202	253

Note:

- (i) For the year ended 31 December 2024, a redundancy cost of approximately HK\$3,221,000 is recognised in profit or loss which is resulted from a redundancy exercise undertaken by the Group since May 2024 (2023: Nil).

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For the year ended 31 December 2024

10. TAXATION

	2024 HK\$'000	2023 HK\$'000
PRC Enterprise Income Tax ("EIT") Charge for the year	–	16
Deferred taxation (Credit) charge for the year (note 24)	(1,990)	8,390
	(1,990)	8,406

Under the Hong Kong Profits Tax two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2023: Nil).

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both years.

The tax (credit) charge for the year can be reconciled to the loss before taxation in the consolidated statement of profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
Loss before taxation	(472,800)	(302,526)
Tax at the applicable statutory tax rates	(92,531)	(50,036)
Tax effect of income not taxable for tax purpose	(2,146)	(5,799)
Tax effect of expenses not deductible for tax purpose	4,965	8,287
Tax effect of temporary differences not recognised	37,884	33,818
Tax effect of temporary differences recognised	(1,990)	3,968
Tax effect of tax losses not recognised	51,828	18,172
Utilisation of tax losses previously not recognised	–	(4)
Tax (credit) charge for the year	(1,990)	8,406

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For the year ended 31 December 2024

11. DIRECTORS' AND EMPLOYEES' REMUNERATION

(a) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Retirement benefits scheme contributions HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
Year ended 31 December 2024						
<i>Executive Directors</i>						
Luk Hong Man, Hammond	-	3,784	324	29	81	4,218
Zhang Xi	-	4,123	324	68	81	4,596
<i>Non-executive Directors</i>						
Wang Mengtao	880	-	-	-	57	937
Leung Ka Fai (Note 1)	80	-	-	-	(775)	(695)
Liang Wenzhi (Note 2)	880	-	-	-	-	880
<i>Independent Non-executive Directors</i>						
Jing Siyuan	180	-	-	-	-	180
Zhang Aimin	180	-	-	-	-	180
Zhang Qiang	180	-	-	-	-	180
	2,380	7,907	648	97	(556)	10,476

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For the year ended 31 December 2024

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(a) Directors' emoluments (Continued)

	Directors' fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Retirement benefits scheme contributions HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
Year ended 31 December 2023						
<i>Executive Directors</i>						
Luk Hong Man, Hammond	-	3,627	333	34	1,108	5,102
Zhang Xi	-	3,827	333	42	1,108	5,310
<i>Non-executive Directors</i>						
Wang Mengtao	960	-	-	-	775	1,735
Leung Ka Fai (Note 1)	960	-	-	-	775	1,735
Ma Xiaoqiu (Note 3)	160	-	-	-	-	160
Liang Wenzhi (Note 2)	820	-	-	-	-	820
<i>Independent Non-executive Directors</i>						
Jing Siyuan	180	-	-	-	-	180
Zhang Aimin	180	-	-	-	-	180
Zhang Qiang	180	-	-	-	-	180
	3,440	7,454	666	76	3,766	15,402

Note 1: Resigned on 10 January 2024

Note 2: Appointed on 22 February 2023

Note 3: Resigned at close of business on 21 February 2023

The Group provided insurance benefits to two executive directors with payments to insurance company in a total sum of approximately HK\$4,063,000 during the year ended 31 December 2024 (2023: approximately HK\$2,037,000).

The executive directors' emoluments shown above include their services in connection with the management of the affairs of the Company and the Group.

The fees paid to non-executive and independent non-executive directors shown above were mainly for their services as directors of the Company.

Mr. Luk Hong Man, Hammond is also chief executive officer and Mr. Zhang Xi is also chief investment officer of the Company and their emoluments disclosed above include those services rendered by them.

No share options were granted to directors during the year ended 31 December 2024. For the year ended 31 December 2023, certain directors were granted share options in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 27 to the consolidated financial statements.

There was no arrangement under which a director or a chief executive waived or agreed to waive any remuneration during both years.

During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors, nor any are payable (2023: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2023: Nil). There are no loans, quasi-loans and other dealing arrangements in favour of the directors, their controlled body corporates and connected entities (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year included three (2023: four) directors, details of whose remuneration are set out in note 11(a) above. The emoluments of the remaining two (2023: one) employees were as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and benefits in kind	3,601	1,542
Discretionary bonuses	295	235
Retirement benefits scheme contributions	106	18
Equity-settled share-based payments recognised	42	569
	4,044	2,364

The emoluments of the five individuals with the highest emoluments were within the following bands:

	Number of individuals	
	2024	2023
HK\$Nil-HK\$1,000,000	2	–
HK\$1,500,001-HK\$2,000,000	–	2
HK\$2,000,001-HK\$2,500,000	–	1
HK\$3,000,001-HK\$3,500,000	1	–
HK\$4,000,001-HK\$4,500,000	1	–
HK\$4,500,001-HK\$5,000,000	1	–
HK\$5,000,001-HK\$5,500,000	–	2

No share options were granted to two highest paid employees during the year ended 31 December 2024. For the year ended 31 December 2023, one highest paid employee was granted share options in respect of her services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 27 to the consolidated financial statements.

During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group to any of the directors of the Company or the two (2023: one) highest paid employees of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDEND

No dividend was proposed during the year, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

13. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$501,134,000 (2023: approximately HK\$989,245,000) by the number of ordinary shares in issue as at 31 December 2024, being approximately 1,561,434,000 (2023: approximately 1,561,434,000) shares.

Loss per share

The calculations of basic and diluted loss per share are based on:

	2024 HK\$'000	2023 HK\$'000
Loss		
Loss attributable to owners of the Company	(470,810)	(310,932)
	2024 '000	2023 '000
Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	1,561,434	1,520,374
Effect of dilutive potential ordinary shares – share options	1,650	4,000
Weighted average number of ordinary shares for the purpose of diluted loss per share calculation	1,563,084*	1,524,374*

* No adjustment has been made to the basic loss per share for the years ended 31 December 2024 and 2023 because the resulted loss per share is decreased when taking the outstanding share options into account, as the outstanding share options had an anti-dilutive effect on the basic loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Office equipment	Motor vehicles	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST					
At 1 January 2023	496,363	9,355	7,961	1,004	514,683
Additions	-	-	51	2,720	2,771
Disposals	-	-	-	(120)	(120)
Written off	-	-	-	(18)	(18)
Exchange adjustments	(13,380)	(25)	(3)	-	(13,408)
At 31 December 2023 and at 1 January 2024	482,983	9,330	8,009	3,586	503,908
Additions	-	-	-	1,050	1,050
Disposals	-	-	-	(120)	(120)
Exchange adjustments	(15,831)	(29)	(3)	-	(15,863)
At 31 December 2024	467,152	9,301	8,006	4,516	488,975
DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	29,484	8,639	7,871	913	46,907
Charge for the year	11,543	332	49	312	12,236
Eliminated on disposals	-	-	-	(46)	(46)
Written off	-	-	-	(18)	(18)
Exchange adjustments	(867)	(10)	1	-	(876)
At 31 December 2023 and at 1 January 2024	40,160	8,961	7,921	1,161	58,203
Charge for the year	10,356	315	41	703	11,415
Eliminated on disposals	-	-	-	(16)	(16)
Impairment loss for the year	119,824	-	-	-	119,824
Exchange adjustments	(3,823)	(24)	(3)	-	(3,850)
At 31 December 2024	166,517	9,252	7,959	1,848	185,576
CARRYING AMOUNTS					
At 31 December 2024	300,635	49	47	2,668	303,399
At 31 December 2023	442,823	369	88	2,425	445,705

During the year ended 31 December 2024, the Group carried out an impairment assessment on land and buildings and recognised an impairment loss of approximately HK\$119,824,000 (2023: Nil). The recoverable amounts of the land and buildings situated in the PRC have been determined based on their fair value less costs of disposal, taking into account the recent market prices for similar properties adjusted for nature, location and conditions of the properties.

As at 31 December 2024, land and buildings located in the PRC with carrying amounts of approximately HK\$300,635,000 had been sealed off by the local government authority to assist in an investigation for two years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

15. INTANGIBLE ASSETS

	Cross-boundary vehicle licenses HK\$'000	Type 9 regulated activity license HK\$'000	Total HK\$'000
COST			
At 1 January 2023, 31 December 2023 and 1 January 2024	4,893	6,616	11,509
Disposal of a subsidiary (note 33)	–	(6,616)	(6,616)
At 31 December 2024	4,893	–	4,893
IMPAIRMENT			
At 1 January 2023	1,703	–	1,703
Provided for the year	–	4,811	4,811
At 31 December 2023 and 1 January 2024	1,703	4,811	6,514
Provided for the year	1,034	908	1,942
Disposal of a subsidiary (note 33)	–	(5,719)	(5,719)
At 31 December 2024	2,737	–	2,737
CARRYING AMOUNTS			
At 31 December 2024	2,156	–	2,156
At 31 December 2023	3,190	1,805	4,995

The cross-boundary vehicle licenses have a legal life of one year but are renewable every year at minimal costs. The directors considered the Group would renew the cross-boundary vehicle licenses continuously and has the ability to do so. As a result, the cross-boundary vehicle licenses are considered by the directors of the Company as having an indefinite useful life and will not be amortised.

The management of the Company performed impairment assessment of cross-boundary vehicle licenses at the end of each reporting period. The recoverable amounts of cross-boundary vehicle licenses were assessed with reference to the market value quoted in second-hand market and an impairment loss of approximately HK\$1,034,000 had been recognised to profit or loss for the year ended 31 December 2024 (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

15. INTANGIBLE ASSETS (Continued)

Type 9 regulated activity license is regarded as having an indefinite useful life and there are no legal or similar limits on the period for its use.

The management of the Company performed impairment assessment of the type 9 regulated activity license with reference to valuation conducted by an independent professional valuer and an impairment loss of approximately HK\$908,000 had been recognised to profit or loss during the year ended 31 December 2024 (2023: approximately HK\$4,811,000).

16. RIGHT-OF-USE ASSETS

	2024 HK\$'000	2023 HK\$'000
At 1 January	21,724	16,257
Additions	–	18,883
Depreciation charge	(12,443)	(13,081)
Exchange adjustments	(120)	(335)
At 31 December	9,161	21,724
Expense relating to short-term leases with lease terms ending within 12 months	803	736
Total cash outflow for leases	14,574	14,653

The Group leases offices for its operations. Lease contracts are entered into for fixed terms of 6 months to 3 years (2023: 1 to 3 years).

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For the year ended 31 December 2024

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Rental and utility deposits	6,365	6,208
Due from brokers (note)	14,536	11,868
Other prepayments	806	826
Other utility deposits and receivables	329	320
Interest receivables from bank deposits	50	93
	22,086	19,315
Analysed for reporting purposes as:		
Current assets	18,360	13,934
Non-current assets*	3,726	5,381
	22,086	19,315

* Non-current assets comprised of rental and utility deposits of approximately HK\$3,726,000 (2023: approximately HK\$5,381,000).

Note: The balance represents the cash account balances with securities brokers that are used for trading of securities. The management of the Company monitors the credit risk of these brokers on a regular basis. As at 31 December 2024, the cash account balances that were placed with securities brokers in the PRC amounted to approximately HK\$14,187,000 (2023: approximately HK\$11,195,000). Remittance of funds out of the PRC is subject to the relevant rules and regulations of a foreign exchange control promulgated by the PRC government.

None of the above assets is either past due or impaired. The receivables included in the above balances have no recent history of default.

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For the year ended 31 December 2024

18. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HK\$'000	2023 HK\$'000
Unlisted equity investment, at fair value	21,283	22,005

Particulars of investment in unlisted equity securities held by the Group as at 31 December 2024 and 2023 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Cost HK\$'000	Fair value HK\$'000	Accumulated unrealised gain (loss) HK\$'000	Net assets attributable to the Group HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group
At 31 December 2024								
Shanghai Hongpeng Energy Technology Co., Ltd. (note)	PRC	10%	21,891	21,283	(608)	4,924	–	4.12%
At 31 December 2023								
Shanghai Hongpeng Energy Technology Co., Ltd. (note)	PRC	10%	21,891	22,005	114	5,013	–	2.06%

The above unlisted equity investment represents the Group's equity interests in a private entity established in the PRC. The directors of the Company have elected to designate this investment as equity instrument at FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purpose and realising its performance potential in the long run.

Note: Shanghai Hongpeng Energy Technology Co., Ltd. ("Shanghai Hongpeng") was principally engaged in the business of research and development of nuclear fusion technology, and development and commercial application of fusion neutron source products in the PRC.

For the year ended 31 December 2024, the unaudited net loss of Shanghai Hongpeng was approximately RMB1,738,000 (equivalent to approximately HK\$1,886,000) (2023: net loss of approximately RMB9,799,000 (equivalent to approximately HK\$10,849,000)). As at 31 December 2024, its unaudited net assets value of Shanghai Hongpeng was approximately RMB46,275,000 (equivalent to approximately HK\$49,244,000) (2023: approximately RMB45,563,000 (equivalent to approximately HK\$50,129,000)).

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18. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The fair value of the unlisted equity investment was assessed by the directors of the Company with reference to the valuation conducted by an independent professional valuer.

In February 2024, the Group disposed of its 82% equity interests in Cheer Top Development Limited together with its subsidiaries ("Cheer Top Group") to independent third parties ("Purchasers") for a consideration of HK\$6,200,000. The retained 18% equity interests in this Cheer Top Group were recognised as equity instrument at FVTOCI with a fair value of approximately HK\$920,000. In November 2024, the Group disposed of the retained 18% equity interests in Cheer Top Group to Purchasers for a consideration of HK\$140 and resulted in a loss on disposal of equity instrument at FVTOCI of approximately HK\$920,000 which was recognised in other comprehensive expense.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Equity securities in Hong Kong (note)	37,609	288,961
Equity securities in the PRC (note)	55,148	91,814
	92,757	380,775
Analysed for reporting purposes as:		
Current assets	55,148	111,598
Non-current assets	37,609	269,177
	92,757	380,775

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 31 December 2024 and 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's interests	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain (loss) recognised HK\$'000	Dividend received/receivable during the year HK\$'000	% of gross assets of the Group	% of net assets of the Group
At 31 December 2024									
<i>Listed equity securities in Hong Kong</i>									
Hua Yin International Holdings Limited (note a)	Bermuda	1,042,000,000	14.46%	79,192	19,798	(59,394)	-	3.83%	3.95%
New Concepts Holdings Limited (note b)	Cayman Islands	156,740,000	9.76%	42,998	17,241	(25,757)	-	3.33%	3.44%
Jiading International Group Holdings Limited (note c)	Bermuda	3,906,250	1.06%	8,938	570	(8,368)	-	0.11%	0.11%
				131,128	37,609	(93,519)			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd. (note d)	PRC	100,000	Less than 0.01%	874	875	1	-	0.17%	0.17%
HuiZhou Intelligence Technology Group Co., Ltd. (note e)	PRC	15,000,000	0.75%	35,900	54,273	18,373	-	10.50%	10.83%
				36,774	55,148	18,374			
				167,902	92,757	(75,145)			
At 31 December 2023									
<i>Listed equity securities in Hong Kong</i>									
Hong Kong Exchanges and Clearing Limited	Hong Kong	30,000	Less than 0.01%	7,983	8,040	57	-	0.75%	0.81%
Tencent Holdings Limited	Cayman Islands	40,000	Less than 0.01%	11,692	11,744	52	-	1.10%	1.19%
Hua Yin International Holdings Limited	Bermuda	1,042,000,000	14.46%	79,192	171,930	92,738	-	16.10%	17.38%
New Concepts Holdings Limited	Cayman Islands	156,740,000	9.76%	42,998	94,044	51,046	-	8.81%	9.51%
Jiading International Group Holdings Limited	Bermuda	78,125,000	4.26%	8,938	3,203	(5,735)	-	0.30%	0.32%
				150,803	288,961	138,158			
<i>Listed equity securities in the PRC</i>									
Caihong Display Devices Co., Ltd.	PRC	100,000	Less than 0.01%	903	743	(160)	-	0.07%	0.08%
HuiZhou Intelligence Technology Group Co., Ltd.	PRC	19,850,000	0.99%	49,117	91,071	41,954	-	8.53%	9.21%
				50,020	91,814	41,794			
				200,823	380,775	179,952			

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19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 31 December 2024 and 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

A brief description of the business and financial information of the listed investee companies extracted from their latest published annual reports, interim reports and annual results announcements is as follows:

- (a) Hua Yin International Holdings Limited (“Hua Yin”) was incorporated in Bermuda and its shares are listed on the Main Board of the Stock Exchange (Stock code: 989). Hua Yin is principally engaged in property development and management, including planning, designing, budgeting, licensing, contract tendering and contract administration and property investment in the PRC.

For the year ended 31 March 2024, the audited consolidated loss attributable to owners of Hua Yin was approximately RMB193,330,000 and the basic loss per share was RMB2.68 cents. As at 31 March 2024, its audited consolidated net assets value attributable to owners of Hua Yin was approximately RMB228,874,000. The unaudited consolidated loss attributable to the owners of Hua Yin for the six months ended 30 September 2024 was approximately RMB601,140,000 and basic loss per share was RMB8.34 cents. At 30 September 2024, the unaudited consolidated net liabilities value attributable to the owners of Hua Yin was approximately RMB365,062,000. No dividend was received during the year.

- (b) New Concepts Holdings Limited (“New Concepts”) was incorporated in the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (Stock code: 2221). New Concepts is principally engaged in construction works and environmental protection.

For the year ended 31 March 2024, the audited consolidated profit attributable to owners of New Concepts was approximately HK\$2,863,000 and the basic earnings per share was HK0.18 cents. As at 31 March 2024, its audited consolidated net assets value attributable to owners of New Concepts was approximately HK\$399,251,000. The unaudited consolidated loss attributable to the owners of New Concepts for the six months ended 30 September 2024 was approximately HK\$14,856,000 and basic loss per share was HK0.92 cents. At 30 September 2024, the unaudited consolidated net assets value attributable to the owners of New Concepts was approximately HK\$392,042,000. No dividend was received during the year.

- (c) Jiading International Group Holdings Limited (“Jiading”) was incorporated in Bermuda and its shares are listed on the GEM of the Stock Exchange (Stock code: 8153). Jiading is principally engaged in sales of health care products, sales of new energy off-road vehicles, sales of new energy batteries and provision of advertising services.

For the year ended 31 March 2024, the audited consolidated loss attributable to owners of Jiading was approximately HK\$21,094,000 and the basic loss per share was HK24.85 cents. As at 31 March 2024, its audited consolidated net assets value attributable to owners of Jiading was approximately HK\$93,282,000. The unaudited consolidated loss attributable to the owners of Jiading for the six months ended 30 September 2024 was approximately HK\$22,382,000 and basic loss per share was HK19.17 cents. At 30 September 2024, the unaudited consolidated net assets value attributable to the owners of Jiading was approximately HK\$97,084,000. No dividend was received during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note: Particulars of investments of listed equity securities held by the Group as at 31 December 2024 and 2023 disclosed pursuant to Chapter 21 of Listing Rules are as follows: (Continued)

- (d) Caihong Display Devices Co., Ltd (“Caihong”) was incorporated in the PRC and its shares are listed on the Shanghai Stock Exchange (stock code: 600707). Caihong was principally engaged in research and development, production and sale of liquid crystal glass substrates and liquid crystal panels.

For the year ended 31 December 2023, the audited consolidated profit attributable to owners of Caihong was approximately RMB661 million and the basic earnings per share was RMB0.18. As at 31 December 2023, its audited consolidated net assets value attributable to owners of Caihong was approximately RMB20,277 million. The unaudited consolidated profit attributable to the owners of Caihong for the six months ended 30 June 2024 was approximately RMB916 million and basic earnings per share was RMB0.255. At 30 June 2024, the unaudited consolidated net assets value attributable to the owners of Caihong was approximately RMB21,193 million. No dividend was received during the year.

- (e) HuiZhou Intelligence Technology Group Co., Ltd. (“HuiZhou”) was incorporated in the PRC and its shares are listed on the Shenzhen Stock Exchange (Stock code: 002122). HuiZhou is principally engaged in (i) venture capital services and asset management; (ii) internet information technology services; (iii) media business; and (iv) high-end equipment manufacturing business.

For the year ended 31 December 2023, the audited consolidated profit attributable to owners of HuiZhou was approximately RMB141 million and the basic earnings per share was RMB0.0707. As at 31 December 2023, its audited consolidated net assets value attributable to owners of HuiZhou was approximately RMB2,268 million. The unaudited consolidated profit attributable to the owners of HuiZhou for the six months ended 30 June 2024 was approximately RMB57 million and basic earnings per share was RMB0.0286. At 30 June 2024, the unaudited consolidated net assets value attributable to the owners of HuiZhou was approximately RMB2,327 million. No dividend was received during the year.

The fair value of listed equity securities were based on their quoted closing prices in active markets.

Financial assets at FVTPL are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
HKD	37,609	288,961
RMB	55,148	91,814
	92,757	380,775

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For the year ended 31 December 2024

20. BANK BALANCES AND CASH/CASH AND CASH EQUIVALENTS

	2024 HK\$'000	2023 HK\$'000
Bank balances and cash	66,253	173,342

As at 31 December 2024, the bank balances that were placed with banks in the PRC amounted to approximately HK\$1,937,000 (2023: approximately HK\$9,020,000). Remittance of funds out of the PRC is subject to the relevant rules and regulations of a foreign exchange control promulgated by the PRC government.

At the end of the reporting period, cash and cash equivalents comprised of cash at banks and in hand. Bank balances carried interest at prevailing market rates ranging from 0.00% to 1.50% (2023: 0.01% to 1.13%) per annum.

Included in bank balances and cash in the consolidated statement of financial position are the following amounts denominated in currencies other than the functional currency of the Group:

	2024 '000	2023 '000
USD	USD75	USD65
RMB	RMB7,324	RMB13,606
JPY	JPY22,135	JPY9,400

21. ACCRUALS AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Accruals and other payables	1,808	4,476
Interest payables	–	317
Dividend payables	3,944	3,944
	5,752	8,737

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For the year ended 31 December 2024

22. BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Interest-bearing bonds, unsecured (note)	–	44,894
Analysed for reporting purposes as:		
Current liabilities	–	34,792
Non-current liabilities	–	10,102
	–	44,894
The carrying amounts of above borrowings are repayable:		
Within one year	–	34,792
More than one year but not exceeding two years	–	9,964
More than two years but not exceeding five years	–	138
	–	44,894

Note: During the year ended 31 December 2024, the Company has not issued any unsecured interest-bearing bonds (2023: HK\$12,000,000) and repaid with aggregate principal amounts of approximately HK\$46,152,000 (2023: HK\$31,000,000). As at 31 December 2023, the outstanding interest-bearing bonds bore interest ranging from 2.8% p.a. to 12.0% p.a. and with maturity dates from six months to eight years.

The bonds recognised in the consolidated statement of financial position of the Group are calculated as follows:

	HK\$'000
At 1 January 2023	61,491
Issued during the year, at fair value	12,000
Repaid during the year	(31,000)
Effective interest expenses (note 8)	6,317
Interest paid/payables	(3,914)
At 31 December 2023 and 1 January 2024	44,894
Repaid during the year	(46,152)
Effective interest expenses (note 8)	2,393
Interest paid/payables	(1,135)
At 31 December 2024	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

23. LEASE LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Within one year	8,300	13,330
Within a period of more than one year but not more than two years	1,909	7,720
Within a period of more than two years but not more than five years	–	1,909
	10,209	22,959
Less: Amount due for settlement within 12 months shown under current liabilities	(8,300)	(13,330)
Amount due for settlement after 12 months shown under non-current liabilities	1,909	9,629

The weighted average incremental borrowing rates applied to lease liabilities range from 7.0% p.a. to 7.8% p.a. (2023: 7.0% p.a. to 7.8% p.a.).

Lease liabilities of approximately HK\$1,879,000 (2023: approximately HK\$8,688,000) are denominated in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

24. DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 HK\$'000	2023 HK\$'000
Deferred tax liabilities	–	(2,018)

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years.

	Unrealised gain on financial assets at FVTPL HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 January 2023	–	6,359	6,359
Charge to profit or loss (note 10)	(5,160)	(3,230)	(8,390)
Exchange adjustments	32	(19)	13
At 31 December 2023 and 1 January 2024	(5,128)	3,110	(2,018)
Credit (charge) to profit or loss (note 10)	5,058	(3,068)	1,990
Exchange adjustments	70	(42)	28
At 31 December 2024	–	–	–

At the end of the reporting period, the Group has unused tax losses of approximately HK\$529,752,000 (2023: approximately HK\$458,447,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams (2023: approximately HK\$12,440,000). Included in unrecognised tax losses are losses of approximately HK\$162,612,000 (2023: approximately HK\$124,066,000) with expiry dates as disclosed in the following table. Other tax losses may be carried forward indefinitely.

	2024 HK\$'000	2023 HK\$'000
2024	–	926
2025	19,078	20,701
2026	10,338	12,953
2027	41,904	45,656
2028	41,558	43,830
2029	49,734	–
indefinite	367,140	334,381
	529,752	458,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

25. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each '000	Nominal value HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023 and 31 December 2024	4,000,000	200,000
Issued and fully paid:		
At 1 January 2023	1,420,290	71,014
Issue of shares by placement (note a)	140,344	7,018
Exercise of share options (note b)	800	40
At 31 December 2023, 1 January 2024 and 31 December 2024	1,561,434	78,072

Notes:

- (a) On 17 April 2023, 140,344,000 ordinary shares were issued by the Company pursuant to a placing agreement dated 4 April 2023 at a placing price of HK\$1.65 per share, giving gross proceeds of approximately HK\$231,568,000.
- (b) During the year ended 31 December 2023, 800,000 share options were exercised at the subscription price of HK\$0.808 per share, and 800,000 ordinary shares were issued, giving gross proceeds of approximately HK\$646,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

26. RESERVES OF THE COMPANY

The Company

	Share premium HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	1,031,217	2,104	26,319	(791,774)	267,866
Loss and total comprehensive expense for the year	–	–	–	(57,601)	(57,601)
Issue of shares by placement	224,550	–	–	–	224,550
Share issue expenses	(6,947)	–	–	–	(6,947)
Exercise of share options	835	(229)	–	–	606
Recognition of equity-settled share-based payments	–	4,335	–	–	4,335
Share options lapsed	–	(1,330)	–	1,330	–
At 31 December 2023 and at 1 January 2024	1,249,655	4,880	26,319	(848,045)	432,809
Loss and total comprehensive expense for the year	–	–	–	(110,493)	(110,493)
Recognition of equity-settled share-based payments	–	(514)	–	–	(514)
Share options lapsed	–	(545)	–	545	–
At 31 December 2024	1,249,655	3,821	26,319	(957,993)	321,802

27. SHARE OPTION SCHEME

2011 Scheme

The Company's adopted a share options scheme ("2011 Scheme") pursuant to a shareholders' resolution passed on 27 June 2011. The purpose of the 2011 Scheme is to enable the Company to grant options to selected participants as incentives and/or rewards for their contribution and support to the Company. Under the 2011 Scheme, the Board of Directors of the Company may grant options to eligible employees and executives, including all the Directors of the Company and any substantial shareholders as defined in the Listing Rules to subscribe for shares in the Company.

Eligibility

Eligible participants of the 2011 Scheme include the Company's directors, employees of the Group and other participants.

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For the year ended 31 December 2024

27. SHARE OPTION SCHEME (*Continued*)

2011 Scheme (*Continued*)

Maximum number of shares

The maximum number of shares in respect of which options may be granted under the 2011 Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue during the twelve-month period before the date of grant, unless with prior approval from the Company's shareholders.

Share options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 on the acceptance. Options may be exercised in accordance with the terms of the 2011 Scheme at any time during a period to be notified by the Board of Directors to each grantee but must not be exercised after the expiry of ten years from the date of grant of the option. There is no minimum period for which an option must be held or a performance target that must be achieved before an option can be exercised specified in the terms of the 2011 Scheme. However, the Board of Directors may provide restrictions on the exercise of an option during the period an option may be exercised including, if appropriate, a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

The exercise price is determined by the Board of Directors, and should not be less than the higher of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option, which must be a business day, (ii) the average of the closing prices of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the option and (iii) the nominal value of the share on the date of offer of the option.

On 13 May 2021, the 2011 Scheme was terminated pursuant to a shareholders' resolution passed on the same date. Accordingly, after that date, the 2011 Scheme may not be relied upon to grant any share option.

2021 Scheme

On 13 May 2021, the Company adopted a new share option scheme ("2021 Scheme") pursuant to a shareholders' resolution. The terms of the 2021 Scheme are in all material respects similar to the terms of the 2011 Scheme.

Eligibility

Eligible participants of the 2021 Scheme include the Company's directors, employees of the Group and other participants.

Maximum number of shares

The maximum number of shares that may be issued pursuant to options granted under the 2021 Scheme is 133,271,400 shares, being 10% of the Company's issued share capital as at the date of adoption of the 2021 Scheme.

As at 31 December 2024, the number of options available for grant and the respective number of shares that may be issued is 130,271,400 (2023: 130,271,400) shares options and 130,271,400 (2023: 130,271,400) shares respectively, representing 8.34% of the issued shares of the Company of 1,561,433,790 shares as at the date of this annual report. The 2021 Scheme has a remaining life of approximately six (2023: seven) years as at the date of this annual report.

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For the year ended 31 December 2024

27. SHARE OPTION SCHEME (Continued)

Year ended 31 December 2024

The following table disclosed details of the Company's share options under the 2011 Scheme and the 2021 Scheme held by directors, employees and other participants and the movements during the year ended 31 December 2024.

Grantee	Date of grant/ acceptance	Exercise price HK\$	Exercisable period up to	Vesting period	Number of share options						
					At 1 January 2024	Granted during the year	Exercised during the year	Expired during the year	Cancelled during the year	Lapsed during the year	Outstanding at 31 December 2024
<i>Executive Directors</i>											
Luk Hong Man, Hammond	26/1/2023	3.39	25/1/2033	26/1/2023–25/1/2024	500,000	-	-	-	-	-	500,000
Zhang Xi	26/1/2023	3.39	25/1/2033	26/1/2023–25/1/2024	500,000	-	-	-	-	-	500,000
<i>Non-executive Directors</i>											
Leung Ka Fai (note 1)	15/11/2016	0.808	15/11/2026	15/11/2016	1,500,000	-	-	-	-	(1,500,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023–25/1/2024	350,000	-	-	-	(350,000)	-	-
Wang Mengtao	26/1/2023	3.39	25/1/2033	26/1/2023–25/1/2024	350,000	-	-	-	-	-	350,000
Subtotal					3,200,000	-	-	-	(350,000)	(1,500,000)	1,350,000
<i>Employees and other participants</i>											
	15/11/2016	0.808	15/11/2026	15/11/2016	500,000	-	-	-	-	(500,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023–25/1/2024	300,000	-	-	-	-	-	300,000
Total					4,000,000	-	-	-	(350,000)	(2,000,000)	1,650,000
Weighted average exercise price (HK\$)					2.099	-	-	-	3.390	0.808	3.390

Note 1: Resigned on 10 January 2024

For the year ended 31 December 2024, (a) 350,000 share options were cancelled under the 2021 Scheme; and (b) 2,000,000 share options were lapsed under the 2011 Scheme.

No share options under the 2021 Scheme or the 2011 Scheme were granted, exercised or expired during the year ended 31 December 2024.

During the year ended 31 December 2024, the Group recognised a reversal of the total expense of approximately HK\$514,000 in relation to share options granted by the Company.

As at 31 December 2024, the number of outstanding granted share options under the 2021 Scheme was 1,650,000 share options, and the respective number of shares may be issued was 1,650,000 shares, which divided by the weighted average number of shares of the Company in issue during the year ended 31 December 2024, being approximately 1,561,434,000, was 0.11%.

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For the year ended 31 December 2024

27. SHARE OPTION SCHEME (Continued)

Year ended 31 December 2023

The following table disclosed details of the Company's options under the 2011 Scheme and the 2021 Scheme held by the directors, employees and other participants and the movements during the year ended 31 December 2023.

Grantee	Date of grant/ acceptance	Exercise price HK\$	Exercisable period up to	Vesting period	Number of share options						
					At 1 January 2023	Granted during the year	Exercised during the year	Expired during the year	Cancelled during the year	Lapsed during the year	Outstanding at 31 December 2023
<i>Executive Directors</i>											
Luk Hong Man, Hammond	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	500,000	-	-	-	-	500,000
Zhang Xi	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	500,000	-	-	-	-	500,000
<i>Non-executive Directors</i>											
Leung Ka Fai (note 1)	15/11/2016	0.808	15/11/2026	15/11/2016	1,500,000	-	-	-	-	-	1,500,000
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	350,000	-	-	-	-	350,000
Wang Mengtao	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	350,000	-	-	-	-	350,000
Ma Xiaoqiu (note 2)	29/8/2017	2.250	29/8/2027	29/8/2017	1,200,000	-	-	-	-	(1,200,000)	-
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	1,000,000	-	-	(1,000,000)	-	-
<i>Independent Non-executive Directors</i>											
Jing Siyuan	15/11/2016	0.808	15/11/2026	15/11/2016	800,000	-	(800,000)	-	-	-	-
Subtotal					3,500,000	2,700,000	(800,000)	-	(1,000,000)	(1,200,000)	3,200,000
<i>Employees and other participants</i>											
	15/11/2016	0.808	15/11/2026	15/11/2016	500,000	-	-	-	-	-	500,000
	26/1/2023	3.39	25/1/2033	26/1/2023-25/1/2024	-	300,000	-	-	-	-	300,000
Total					4,000,000	3,000,000	(800,000)	-	(1,000,000)	(1,200,000)	4,000,000
Weighted average exercise price (HK\$)					1.241	3.390	0.808	-	3.390	2.250	2.099

Note 1: Resigned on 10 January 2024

Note 2: Resigned at the close of business on 21 February 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

27. SHARE OPTION SCHEME (Continued)

Year ended 31 December 2023 (Continued)

On 20 January 2023, the Company granted 3,000,000 share options to eligible persons of the Group under the 2021 Scheme, and the respective number of shares that may be issued was 3,000,000 shares, which divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2023, being approximately 1,520,374,000, was 0.20%. The closing price of the shares granted of the Company immediately before the date of grant was HK\$3.16 per share.

In relation to the 3,000,000 share options granted, the fair value of such options granted was measured on the date of acceptance, 26 January 2023, and determined using Binomial Option Pricing Model was approximately HK\$7,031,000. The significant inputs into the model were share price of HK\$3.42 at the acceptance date, an exercise price of HK\$3.39, an expected volatility of 117.43%, no dividend yield, an expected option life of ten years and an annual risk free interest rate of 3.05%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last ten years. The share options granted are exercisable one year after the date of acceptance of such options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Change in variables and assumptions may result in changes in the fair value of the options.

For the year ended 31 December 2023, (a) 3,000,000 share options were granted (with closing price of the shares immediately before the date of grant was HK\$3.16 per share) and 1,000,000 share options were cancelled under the 2021 Scheme; and (b) 1,200,000 share options were lapsed and 800,000 share options were exercised (with closing price of the shares immediately before the date the options were exercised was HK\$2.47 per share) under the 2011 Scheme. No share options under the 2021 Scheme or the 2011 Scheme were expired during the year. The Group recognised the total expense of approximately HK\$4,335,000 in relation to share options granted by the Company during the year.

As at 31 December 2023, the number of outstanding granted share options under the 2021 Scheme was 2,000,000 share options, and the respective number of shares may be issued was 2,000,000 shares, while the number of outstanding granted share options under the 2011 Scheme was 2,000,000 share options, and the respective number of shares may be issued was 2,000,000 shares. The aggregated number of shares that may be issued in respect of the outstanding granted share options, 4,000,000 shares, which divided by the weighted average number of shares of the Company in issue during the year ended 31 December 2023, being approximately 1,520,374,000, was 0.26%.

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For the year ended 31 December 2024

28. RETIREMENT BENEFITS SCHEME

The Group has arranged its Hong Kong employees to join the Mandatory Provident Fund Scheme (“MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group (the employer) and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, as defined under the Mandatory Provident Fund Legislation, subject to a cap of monthly relevant income of HK\$30,000.

The employees of the Group’s subsidiaries operating in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The total cost charged to profit or loss of approximately HK\$454,000 (2023: approximately HK\$520,000) represents contribution payable to these schemes by the Group in respect of the current year. As at 31 December 2024 and 2023, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

29. RELATED PARTY AND CONNECTED TRANSACTIONS

Saved as disclosed in elsewhere to the consolidated financial statements, the Group had the following significant related party transactions:

(a) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2024 HK\$'000	2023 HK\$'000
Fees	2,380	3,440
Salaries and allowances	7,907	7,454
Discretionary bonuses	648	666
Retirement benefits scheme contributions	97	76
Equity-settled share-based payments	(556)	3,766
	10,476	15,402

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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29. RELATED PARTY AND CONNECTED TRANSACTIONS (Continued)

(b) Related party transactions

The Group had the following transactions with related parties during the year:

	2024 HK\$'000	2023 HK\$'000
Paid to related party:		
Donation	100	100

During the year ended 31 December 2024, the Group made charitable donations totalling HK\$100,000 (2023: HK\$100,000) to Chen De Charitable Foundation Limited (formerly known as China Investment Fund International Charitable Foundation Limited), a company limited by guarantee and founded for charitable purposes under Hong Kong laws and registered pursuant to Section 88 of the Inland Revenue Ordinance of the laws of Hong Kong. As at the relevant time of the donations, among the founders/directors of the charitable foundation, there were certain executive directors of the Company, the charitable foundation was considered a related party to the Company. However, the donations do not fall within the definition of "connected transaction" in the Listing Rules.

On 30 December 2024, the Group disposed of its entire interests in Tianhe Quant Asset Management Limited ("Tianhe"), a wholly-owned subsidiary of the Company to a director of Tianhe for a consideration of approximately HK\$1,299,000, resulting in a loss on disposal of approximately HK\$897,000. The disposal falls within the definition of "connection transaction" in the Listing Rules but is fully exempt from the disclosure requirements therein.

(c) Investment management fee

On 4 July 2023, the Company and Tianhe Quant Asset Management Limited ("Tianhe"), a wholly-owned subsidiary of the Company, entered into a renewal investment management agreement pursuant to which Tianhe shall act as the investment manager of the Company for the period up to 4 July 2024. Under the renewal investment management agreement, the investment management fee payable to the investment manager was HK\$230,000 per month together with expenses reimbursement up to a maximum amount of HK\$1,450,000 and HK\$1,510,000 respectively for each of the years ending 31 December 2023 and 2024. The investment manager is defined as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules. As Tianhe (the investment manager) is a wholly-owned subsidiary of the Company, the transaction with Tianhe is eliminated on consolidation and will not be considered a connected transaction under the Listing Rules.

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30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from that of the previous year.

The capital structure of the Group consists of debt, which includes the borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts.

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Financial assets at FVTPL	92,757	380,775
Equity instrument at FVTOCI	21,283	22,005
Financial assets at amortised cost	87,533	191,831
	201,573	594,611
Financial liabilities		
Financial liabilities at amortised cost	15,961	76,590

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31. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

(i) *Equity price risk*

The Group is exposed to equity price risk mainly through its investments in listed and unlisted equity securities. The Group's strategy for the management of market risk is driven by the Group's investment objective. The Group's market risk is managed by the Board of Directors in accordance with policies and procedures in place. The Group's market positions are monitored on a monthly basis by the Board of Directors, and the investments in equity of other entities are Hong Kong listed and PRC listed financial assets. Decisions to buy or sell financial assets are based on daily monitoring of the performance of individual financial assets compared to that of the relevant stock market index and other industry indicators, as well as the Group's liquidity needs. To manage its price risk arising from the financial assets, the management will monitor a portfolio of the Group's investments on a regular basis. In addition, the Group's management monitors the price risk and will consider hedging the risk exposure if necessary.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to financial assets price risk at the reporting date. For sensitivity analysis purpose, the sensitivity rate remained at 15% in the current year.

If financial assets prices had been 15% higher/lower (2023: 15%), loss for the year ended 31 December 2024 would decrease/increase by approximately HK\$13,914,000 (2023: approximately HK\$57,116,000) which is mainly due to the changes in fair value of financial assets at FVTPL. Also, if the fair value of the equity instrument at FVTOCI had increased/decreased by 15% (2023: 15%) and all other variables were held constant, the FVTOCI reserve would increase/decrease by approximately HK\$3,192,000 (2023: approximately HK\$3,301,000).

(ii) *Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. Credit risk arises from contractual cash flows of financial assets at FVTPL, equity instrument at FVTOCI, financial assets at amortised cost and deposits with banks and financial institutions.

The Group limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and which the Group considers to be well established. All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase only when the securities have been received by broker. The Group reviews and monitors the credit concentration of investments on a regular basis.

The credit risk on liquid funds is limited because the counterparties are banks or financial institutions with high credit ratings assigned by international credit-rating agencies.

Other than concentration of the Company's investments in listed securities and liquid funds deposited with several banks and financial institutions with high credit ratings, the Group does not have any other significant concentration of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's listed securities are considered readily realisable, as all such securities are listed in Hong Kong and the PRC.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows:

	On demand/ within 12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
At 31 December 2024					
Non-derivative financial liabilities					
Accruals and other payables	5,752	–	–	5,752	5,752
Lease liabilities	8,690	1,924	–	10,614	10,209
Capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,238	–	–	15,238	15,238
	29,680	1,924	–	31,604	31,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

	On demand/ within 12 months HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Contractual undiscounted cash flow HK\$'000	Carrying amount HK\$'000
At 31 December 2023					
Non-derivative financial liabilities					
Accruals and other payables	8,737	-	-	8,737	8,737
Borrowings	37,544	10,609	161	48,314	44,894
Lease liabilities	14,521	8,103	1,924	24,548	22,959
Capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,754	-	-	15,754	15,754
	76,556	18,712	2,085	97,353	92,344

(iv) Interest rate risk

The Group's income and operating cash flow are substantially independent of changes in market interest rates.

The Group's exposure to risk of changes in market interest rates primarily related to the Group's interest-bearing bank deposits with floating rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2023: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 100 basis points (2023: 100 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2024 would decrease/increase by approximately HK\$507,000 (2023: approximately HK\$1,457,000). This is mainly attributable to the Group's exposure to interest rates on its interest-bearing bank deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Foreign currency risk

The functional currency of the Group is HK\$ in which most of the transactions are denominated. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not have any foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging its foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated financial assets at the reporting date are as follows:

	ASSETS	
	2024 HK\$'000	2023 HK\$'000
RMB	98,412	139,986

Sensitivity analysis

The following table shows the sensitivity analysis of a 5% increase/decrease in RMB against HK\$, the effects in loss for the year are as follows:

	Impact of RMB	
	2024 HK\$'000	2023 HK\$'000
Decrease/increase in loss for the year	4,921	6,999

(c) Fair value measurements of financial instruments

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 31 December 2024				
Financial assets at FVTPL (note a)				
– Listed equity securities	92,757	–	–	92,757
Equity instrument at FVTOCI (note b)				
– Unlisted equity securities	–	–	21,283	21,283
	92,757	–	21,283	114,040
At 31 December 2023				
Financial assets at FVTPL (note a)				
– Listed equity securities	380,775	–	–	380,775
Equity instrument at FVTOCI (note b)				
– Unlisted equity securities	–	–	22,005	22,005
	380,775	–	22,005	402,780

Notes:

- The fair value of listed equity securities classified as Level 1 was determined by the closing price quoted in active markets.
- The fair value of unlisted equity securities classified as level 3 was determined by management's valuation assessment with reference to the valuation conducted by an independent professional valuer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

31. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy (Continued)

During the years ended 31 December 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

	2024 HK\$'000	2023 HK\$'000	Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
Equity instrument at FVTOCI:							
Unlisted equity investment	21,283	22,005	Level 3	Precedent transaction method	Transaction price	N/A	The higher the transaction price, the higher the fair value

(ii) Reconciliation of level 3 fair value measurements

	Equity instrument at FVTOCI	
	2024 HK\$'000	2023 HK\$'000
At 1 January	22,005	–
Addition	920	21,891
Disposal	(920)	–
Exchange adjustments	(722)	114
At 31 December	21,283	22,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payable from financing activities	Borrowings	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	1,113	93,972	17,346	112,431
Changes from financing cash flows:				
Raised	–	12,000	18,193	30,193
Repayment	–	(63,500)	(13,917)	(77,417)
Other changes:				
Interest expenses	4,673	2,422	1,702	8,797
Interest paid	(5,469)	–	–	(5,469)
Exchange adjustments	–	–	(365)	(365)
At 31 December 2023 and 1 January 2024	317	44,894	22,959	68,170
Changes from financing cash flows:				
Repayment	–	(46,152)	(13,771)	(59,923)
Other changes:				
Interest expenses	1,135	1,258	1,178	3,571
Interest paid	(1,452)	–	–	(1,452)
Exchange adjustments	–	–	(157)	(157)
At 31 December 2024	–	–	10,209	10,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33. NET GAINS ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES

Disposals of subsidiaries

In February 2024, the Group disposed of its 82% equity interests in Cheer Top Group to Purchasers for a consideration of HK\$6,200,000, resulting in a gain on disposal of approximately HK\$9,706,000. The retained 18% equity interests in Cheer Top Group were recognised as equity instrument at FVTOCI.

The aggregate net assets of Cheer Top Group at the date of disposal were as follows:

	HK\$'000
Intangible asset (note)	7,697
Prepayment	23
Other payables	(2,609)
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Net assets disposed of	5,111
Release of capital reserve	(7,697)
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	(2,586)
Fair value of retained interests in Cheer Top Group	(920)
Consideration received	(6,200)
<hr/>	
Gain on disposal	(9,706)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Cheer Top Group is as follows:

	HK\$'000
Net cash inflow arising on disposal:	
Cash consideration received	6,200
Cash and cash equivalents disposed of	-
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	6,200

Note: The intangible asset represents the right to use over the properties located in the PRC which were owned by a wholly owned subsidiary of the Company free of charge (the "Right") for a period of one year up to 31 December 2024. The Right was initially recognised as intangible asset at fair value with reference to the valuation report provided by an independent professional valuer. The fair value was determined taking into account of the expected discounted cash flows generated by the properties under the Right over one year.

In November 2024, the Purchasers of Cheer Top Group failed to fulfill their obligation in paying the property related expenses, resulting in termination of the Right by the Group. At the same time, the retained 18% equity interests of Cheer Top Group were sold to the Purchasers for a consideration of HK\$140, the loss on disposal of equity instrument at FVTOCI was approximately HK\$920,000 and was recognised in other comprehensive expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33. NET GAINS ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

During the year ended 31 December 2024, the Group disposed of its entire interests in Bravo King Group Limited together with its subsidiaries ("Bravo King Group") to an independent third party for a consideration of HK\$30,000, resulting in a gain on disposal of approximately HK\$113,000.

The aggregate net assets of Bravo King Group at the date of disposal were as follows:

	HK\$'000
Cash and cash equivalents	26
Net assets disposed of	26
Release of exchange reserve	(109)
	(83)
Consideration received	(30)
Gain on disposal	(113)

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Bravo King Group is as follows:

	HK\$'000
Net cash inflow arising on disposal:	
Cash consideration received	30
Cash and cash equivalents disposed of	(26)
	4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33. NET GAINS ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

During the year ended 31 December 2024, the Group disposed of its entire interests in Tianhe, together with its type 9 regulated license to a director of Tianhe for a consideration of approximately HK\$1,299,000, resulting in a loss on disposal of approximately HK\$897,000.

The aggregate net assets of Tianhe at the date of disposal were as follows:

	HK\$'000
Intangible asset (note)	897
Prepayment and deposits	73
Bank balances and cash	1,268
Other payables	(42)
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Net assets disposed of	2,196
Consideration received	(1,299)
<hr/>	
Loss on disposal	897

An analysis of net inflows of cash and cash equivalents in respect of the disposal of Tianhe is as follows:

	HK\$'000
Net cash inflow arising on disposal:	
Cash consideration received	1,299
Cash and cash equivalents disposed of	(1,268)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33. NET GAINS ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

In January 2023, the Group disposed of its 82% equity interests in Sunshine Forever Limited, Bravo Fortune Limited and Energy Vitality Limited together with their subsidiaries ("Disposed Subsidiaries") to independent third parties ("New Investors") for an aggregate consideration of HK\$22,900,000, resulting in an aggregate gain on disposals of approximately HK\$33,654,000. The retained 18% equity interests in these Disposed Subsidiaries was classified as equity instrument at FVTOCI.

The aggregate net assets of the Disposed Subsidiaries at the date of disposal were as follows:

	HK\$'000
Intangible assets (note)	53,987
Other payables	(58)
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Net assets disposed of	53,929
Release of capital reserve	(53,987)
<hr/>	
	(58)
Fair value of retained interests in Disposed Subsidiaries	(10,696)
Consideration received	(22,900)
<hr/>	
Gain on disposals	(33,654)
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An analysis of net inflows of cash and cash equivalents in respect of the disposal of Disposed Subsidiaries is as follows:

	HK\$'000
Net cash inflow arising on disposal:	
Cash consideration received	22,900
Cash and cash equivalents disposed of	–
<hr/>	
	22,900
<hr/>	

Note: The intangible assets represent the rights to use over the properties located in the PRC which were owned by a wholly owned subsidiary of the Company free of charge (the "Rights") for a period of three years up to 29 September 2025. The Rights were initially recognised as intangible assets at fair value with reference to the valuation reports provided by an independent professional valuer. The fair value was determined taking into account of the expected discounted cash flows generated by the property under the Rights over three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

33. NET GAINS ON DISPOSALS/DEREGISTRATIONS OF SUBSIDIARIES (Continued)

Disposals of subsidiaries (Continued)

During the year ended 31 December 2023, the Group disposed of its entire interests in Enrich Bloom Limited, Prospect Crystal Limited and Bestar Investment Holding Limited together with their subsidiaries to independent third parties for an aggregate consideration of approximately HK\$11,000, resulting in gains on disposals of approximately HK\$61,000.

The aggregate net assets of the subsidiaries at the date of disposals were as follows:

	HK\$'000
Prepayment and deposits	8
Other payables	(55)
<hr/>	
Net liabilities disposed of	(47)
Release of exchange reserve	(3)
<hr/>	
	(50)
Considerations received	(11)
<hr/>	
Gain on disposals	(61)

An analysis of net inflows of cash and cash equivalents in respect of the disposals of subsidiaries is as follows:

	HK\$'000
Net cash inflow arising on disposals:	
Cash consideration received	11
Cash and cash equivalents disposed of	–
<hr/>	
	11

Deregistrations of subsidiaries

The Group had dissolved of two PRC subsidiaries during the year ended 31 December 2023, resulting in a loss on deregistrations of approximately HK\$519,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

34. CAPITAL COMMITMENTS

	2024 HK\$'000	2023 HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	15,238	15,754

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Interests in subsidiaries

	2024 HK\$'000	2023 HK\$'000
Unlisted shares, at cost	11	25,869
Impairment loss recognised	–	–
	11	25,869
Amounts due from subsidiaries (note (b))	304,677	395,385
Impairment loss recognised	(94,734)	(145,134)
	209,943	250,251
Amounts due to subsidiaries (note (b))	(10,377)	(9,780)
Loans to a subsidiary (note (a))	241,437	253,200
Impairment loss recognised	(102,262)	(102,262)
	139,175	150,938

Notes:

- (a) Loans to a subsidiary are unsecured and repayable on demand. Interest is charged on the outstanding balance at 5% p.a. (2023: 10% p.a.).
- (b) Amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Interests in subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest and voting power held by the Company				Principal activity
			Directly		Indirectly		
			2024	2023	2024	2023	
Ace Innovator Limited	Republic of Vanuatu	US\$100	100%	100%	–	–	Investment holdings
Boss Team Group Limited	British Virgin Islands	US\$100	–	–	100%	–	Administration
Champion Reliance Group Limited	British Virgin Islands	US\$100	100%	–	–	–	Investment holdings
China Investment Fund Company Limited	Cayman Islands	US\$1	100%	–	–	100%	Investment holdings
China Investment Fund International Financial Group Limited	Hong Kong	HK\$100	–	100%	100%	–	Administration
China Investment Fund International Management Limited	Hong Kong	HK\$100	–	–	100%	100%	Administration
Deluxe Century Limited	Republic of Seychelles	US\$100	100%	100%	–	–	Investment holdings
Dragon Innovation Wealth Limited	Hong Kong	HK\$100	100%	–	–	–	Administration
Dream Cities Group Limited	British Virgin Islands	US\$100	100%	–	–	–	Investment holdings
Eternity Sky Limited	British Virgin Islands	US\$100	–	–	100%	100%	Investment holdings
Ever Rich Smart Limited	Hong Kong	HK\$100	–	–	100%	–	Holding of motor vehicle
Final Destination Limited	British Virgin Islands	US\$100	–	–	100%	100%	Investment holdings
Flying Goddess Limited	British Virgin Islands	US\$100	100%	100%	–	–	Investment holdings
Fortune Strike Limited	Republic of Seychelles	US\$100	–	–	100%	100%	Investment holdings
Foundation Tide Limited	Hong Kong	HK\$10,000	–	–	100%	100%	Holding of cross-boundary vehicle license
Globe Golden Rich Limited	Hong Kong	HK\$100	–	–	100%	100%	Investment holdings
Golden Trend Oriental Limited	Hong Kong	HK\$100	–	–	100%	100%	Investment holdings
Good Charm Inc Limited	Hong Kong	HK\$100	–	–	100%	100%	Holding of motor vehicle
Good Trend Wealth Company Limited	Hong Kong	HK\$100	–	–	100%	–	Administration
Grandstar Global Limited	Hong Kong	HK\$100	–	–	100%	–	Investment holdings
Hong Kong Toprich Investment Limited	Hong Kong	HK\$100	–	–	100%	100%	Securities investment
Keen Intelligence Development Limited	Cayman Islands	US\$100	–	–	100%	100%	Administration

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Interests in subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest and voting power held by the Company				Principal activity
			Directly		Indirectly		
			2024	2023	2024	2023	
Kingdom Stage Limited	Republic of Seychelles	US\$100	–	–	100%	100%	Investment holdings
Magic Start Group Limited	British Virgin Islands	US\$100	100%	100%	–	–	Investment holdings
Sustainable Investment Holdings Limited	Republic of Vanuatu	US\$100	100%	100%	–	–	Investment holdings
Wealth Bless Investment Development Limited	Republic of Seychelles	US\$100	–	–	100%	100%	Investment holdings
Yield Achievers Group Limited	British Virgin Islands	US\$100	100%	–	–	–	Investment holdings
深圳華創金盛投資諮詢有限公司 (Note)	PRC	RMB30,000,000	–	–	100%	100%	Securities Investment
深富盛創(深圳)貿易有限公司 (Note)	PRC	RMB30,000,000	–	–	100%	100%	Holding of properties

Note: The subsidiaries are established as wholly foreign owned enterprise under PRC law.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

36. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investments in subsidiaries	35	11	25,869
Property, plant and equipment		–	2,335
Right-of-use assets		8,156	14,451
Rental and utility deposits		3,726	3,496
		11,893	46,151
Current assets			
Prepayments, deposits and other receivables		907	806
Loans to a subsidiary	35	139,175	150,938
Amounts due from subsidiaries	35	209,943	250,251
Bank balances and cash		62,356	137,688
		412,381	539,683
Current liabilities			
Accruals and other payables		5,693	6,008
Amounts due to subsidiaries	35	10,377	9,780
Borrowings		–	34,792
Lease liabilities		6,421	5,941
		22,491	56,521
Net current assets			
		389,890	483,162
Total assets less current liabilities			
		401,783	529,313
Non-current liabilities			
Borrowings		–	10,102
Lease liabilities		1,909	8,330
		1,909	18,432
Net assets			
		399,874	510,881
Capital and reserves			
Share capital	25	78,072	78,072
Reserves	26	321,802	432,809
Total equity			
		399,874	510,881

The Company's statement of financial position was approved and authorised by the board of directors on 19 March 2025 and is signed on its behalf by:

Luk Hong Man, Hammond
Director

Zhang Xi
Director

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

FIVE YEARS FINANCIAL SUMMARY

	2024 HK\$'000	For the year ended 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Results					
Revenue	1,351	1,134	252	480	950
(Loss) profit before taxation	(472,800)	(302,526)	(331,187)	92,018	353,384
Taxation	1,990	(8,406)	–	73,112	(69,991)
(Loss) profit for the year attributable to owners of the Company	(470,810)	(310,932)	(331,187)	165,130	283,393
(Loss) earnings per share					
– Basic (HK cents)	(30.15)	(20.45)	(23.97)	12.36	21.88
– Diluted (HK cents)	(30.15)	(20.45)	(23.97)	12.27	21.36

	2024 HK\$'000	As at 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Assets and Liabilities					
Total assets	517,095	1,067,861	1,217,462	1,459,339	1,428,338
Total liabilities	(15,961)	(78,616)	(120,770)	(187,077)	(319,128)
	501,134	989,245	1,096,692	1,272,262	1,109,210
Share capital	78,072	78,072	71,014	67,500	66,394
Reserves	423,062	911,173	1,025,678	1,204,762	1,042,816
Equity attributable to owners of the Company	501,134	989,245	1,096,692	1,272,262	1,109,210