Hua Lien International (Holding) Company Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 969

2024 ANNUAL REPORT

Contents

Corporate information

Executive Directors

Mr. Wu Shuron
Mr. Wang Xian
Mr. Liu Jun
Mr. Li Baojian

Independent Non-Executive Directors

Dr. Ng Lai Man Carmen
Mr. Tan Chuen Yan Paul
Mr. Shi Zhu

Company Secretary

Mr. WAN Hok Shing
FCPA, FCCA, CICPA, ACG(CS, CGP), HKACG(CS, CGP), CFA

Registered Office

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal Place of Business in Hong Kong

18/F
Yue Thai Commercial Building
28 Connaught Road Central
Sheung Wan
Hong Kong

Auditor

BDO Limited
Certified Public Accountants

Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited

Cayman Islands Principal Share Registrar and Transfer Office

The Harbour Trust Co. Ltd.
One Capital Place
P.O. Box 1787
Grand Cayman
Cayman Islands
British West Indies

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

Website

http://www.irasia.com/listco/hk/hualien/index.htm

Chairman's Statement & Management Discussion and Anaylsis

Business Review

Overall Performance

For the year ended 31st December 2024, the revenue of the Group increased by approximately 3.5% to approximately HK$147.3 million (2023: approximately HK$142.3 million). The increase in revenue of approximately HK$5.0 million in year 2024 was all contributed by the increase in revenue from the sugar business segment.

The gross profit for the year ended 31st December 2024 increased by approximately HK$19.2 million to approximately HK$40.8 million (2023: approximately HK$21.6 million). The gross profit percentage increased by approximately 12.5% to approximately 27.7% (2023: approximately 15.2%). As further elaborated below, such increases were contributed by the combined effect of increase in average selling prices by approximately 6.3% for raw sugar and approximately 23.9% for molasses respectively as well as the decrease in average unit production costs by approximately 7.0% for raw sugars and approximately 12.1% for molasses during the year.

The loss before taxation decreased by approximately HK$16.9 million to approximately HK$41.4 million (2023: approximately HK$58.3 million).

As further elaborated below, the approximately HK$16.9 million decrease in loss before taxation was mainly due to (i) the approximately HK$19.2 million increase gross profit through the increase in average selling prices and decrease in average unit production costs, (ii) the decrease in fair value loss of biological assets of approximately HK$9.0 million which mainly caused by the increase forecasted cane price and increase in maturity of sugar cane, but these positive impacts partially offset by negative impacts of, (iii) the decrease in other income of approximately HK$0.3 million which mainly caused by the decrease in sale of scrap metal, (iv) the approximately HK$7.6 million increase in administrative cost which mainly caused by the increase in professional fees dealing corporate actions and also the increase in administrative staff costs and security costs along the Jamaica's minimum wage increased, (v) the increase in other operating expenses of approximately HK$1.4 million which mainly caused by the decrease in expected credit losses of trade receivables of approximately HK$3.0 million, the approximately HK$3.7 million increase in write-down of inventories of spare parts for property, plant and equipment and the approximately HK$0.7 million increase in impairment loss on property, plant and equipment, (vi) the increase in finance cost of approximately HK$2.0 million which mainly caused by the increase in interest expense during the year.

Basic loss per share for the year was approximately HK1.47 cents (2023: approximately HK1.88 cents).

The directors do not recommend the payment of a dividend for the year ended 31st December 2024 (2023: nil).

Sugar Cane Growing and Sugar Manufacturing Business in Jamaica

Business review

The Joyful Right Limited is the holding company of Pan-Caribbean Sugar Company Limited ("**PCSC**") which has operated the three sugar estates, namely Bernard Lodge Sugar Estate, Monymusk Sugar Estate and Frome Sugar Estate and two sugar factories, namely Monymusk Sugar Factory and Frome Sugar Factory in Jamaica since 15th August 2011, a 70% indirectly owned subsidiary of the Company, together called "Joyful Right Group". Due to the severe business environment for the sugar cane growing and sugar manufacturing business in Jamaica, the Group has suspended certain agricultural and factory operations that are under serious loss since June 2016, which include two sugar estates of Bernard Lodge Sugar Estate and Monymusk Sugar Estate as well as one sugar factory of Monymusk Sugar Factory. Joyful Right Group resumed the operation of Monymusk Sugar Factory in year 2018 and suspended again the operation in year 2019 and continues to operate the Frome Sugar Estate and Frome Sugar Factory. The following analysis of sugar cane growing and sugar manufacturing business in Jamaica is based on Joyful Right Group.

Overall Performance *(Continued)*

Sugar Cane Growing and Sugar Manufacturing Business in Jamaica *(Continued)*

Business review (Continued)

For the revenue, Joyful Right Group has recorded an increase of approximately HK$5.0 million increase in revenue to approximately J$2.9 billion (approximately HK$147.3 million) compared with the revenue in year 2023 of approximately J$2.8 billion (approximately HK$142.3 million). Such change was brought by combined impacts of (i) the positive impact of the approximately 6.3% and approximately 23.9% increase in average selling price of raw sugar and molasses respectively and (ii) the negative impact of approximately 2.5% and approximately 3.6% decrease in sales volume of raw sugar and molasses respectively.

Below was a separate analysis for change in sales prices and sales volumes:

In relation to sales prices, the respective average selling price per tonne of raw sugar and molasses in year 2024 were of approximately J$228,400 (approximately HK$11,400) and approximately J$34,900 (approximately HK$1,700) as compared to year 2023 of approximately J$214,900 (approximately HK$10,900) and J$28,200 (approximately HK$1,400). The approximately 6.3% and approximately 23.9% increase in average selling price of raw sugar and molasses respectively was due to the fall in world sugar output for the fifth consecutive year after unfavourable weather conditions negatively affected the sugar production in some of the key sugar producing countries and the world production still fall below global consumption and resulting in a tight global sugar balance and an upward pressure on prices.

In relation to sales volumes, the approximately 2.5% and approximately 3.6% decrease in sales volume of raw sugar and molasses respectively was by virtue of the decrease in production volume. Joyful Right Group produced approximately 11,100 tonnes of raw sugar and approximately 9,100 tonnes of molasses for year 2024 by crushing input of sugar cane of approximately 176,200 tonnes compared with approximately 11,300 tonnes of raw sugar and approximately 11,000 tonnes of molasses for year 2023 by crushing input of sugar cane of approximately 189,000 tonnes. The approximately 200 tonnes (approximately 1.9%) and 1,900 tonnes (approximately 17.3%) respective decrease in production volumes of raw sugar and molasses were caused by the decrease in sugar cane input of approximately 12,800 tonnes (approximately 6.8%). Such decrease in sugar cane input of approximately 12,800 tonnes (approximately 6.8%) of sugar cane was due to the approximately 8,600 tonnes decrease in supply of sugar cane from farmers and approximately 4,200 tonne own farm estate. The reason for the decrease in supply of farmer cane was due to the rising in input cost of labour cost, fertilizers and pesticides made the sugar cane farmers to shrank such farm inputs and consequently resulted in lower output quantity and lower quality of sugar cane from cane farmer which made the sugar cane supply from farmer decrease by 8,600 tonnes (approximately 10.7%) from approximately 80,000 tonnes in year 2023 to 71,400 tonnes in year 2024. Turning into own farm cane, the decrease in supply from own farm estate was due to the persistent challenges hindering the sugar cane agricultural operation production, including high labour cost and labor shortages, elevated farming input costs, and frequent breakdown of long-aging agricultural and harvesting equipment and resulted in the decrease in area under cane (farm size) by approximately 3.1% from approximately 2,266 hectares in year 2023 to 2,157 hectares in year 2024. Such reduction in area under cane (farm size) resulted in the decrease in sugar cane output by approximately 4,200 tonnes (approximately 3.8%) from approximately 109,000 tonnes in year 2023 to approximately 104,800 tonnes in year 2024.

Overall Performance *(Continued)*

Sugar Cane Growing and Sugar Manufacturing Business in Jamaica *(Continued)*

Business review (Continued)

The table below shows geographical analysis of revenue of sugar and molasses.

	2024			2023		
	J$'million	**HK$ 'million**	**% of Revenue**	J$' million	HK$ 'million	% of Revenue
By region						
Jamaica	**2,951.7**	**147.3**	**100.0**	2,801.1	142.3	100.0
US	**–**	**–**	**–**	–	–	–
	2,951.7	**147.3**	**100.0**	2,801.1	142.3	100.0

Jamaica remains the principal market for Joyful Right Group. The domestic sales in Jamaica accounted for 100.0% (2023: approximately 100%) of total sales and the export to United States accounted for approximately 0.0% (2023: approximately 0.0%). The change in sales mix was mainly due to the effect of reduction in competition from the closure of more sugar mills in Jamaica (like Golden Grove Factory in 2019 and Appleton Estate Sugar Factory in 2020). This reduction in competition resulted in the decrease in supply that contributed to the rise in sales volume of the domestic sales in Jamaica. Furthermore, the average selling price of raw sugar in Jamaica for this year was still higher than that in international markets. As production output fell by approximately 200 tonnes (approximately 1.9%) of raw sugar, the raw sugar produced during the year was only sufficient to fulfill the demand of local market in Jamaica and there was no excess surplus for export to United States during the year under review.

In terms of gross trading results, the Joyful Right Group recorded a gross profit of approximately J$816.8 million (approximately HK$40.8 million) for year 2024 (2023: approximately J$425.1 million (approximately HK$21.6 million)). The increase in amount of gross profit of approximately J$391.7 million (approximately HK$19.2 million). The gross profit ratio increased by approximately 12.5% to approximately 27.7% for year 2024 as compared with approximately 15.2% in year 2023. The improvement in gross profit ratio was caused by the (i) the average selling prices of raw sugar and molasses increased by approximately 6.3% and approximately 23.9% respectively. The reason for the increase in average selling prices had been given in above section as well as (ii) the average production costs of raw sugar and molasses decreased by approximately 7.0% and approximately12.1% respectively. The average production cost per tonne of raw sugar and molasses for year 2024 were approximately J$166,700 (approximately HK$8,300) and approximately J$23,600 (approximately HK$1,200) as compared to year 2023 of approximately J$179,000 (approximately HK$9,100) and approximately J$26,900 (approximately HK$1,400) respectively. The unit production costs were mainly driven down by: (a) the approximately 3.6% decrease in sugar cane cost per unit mainly due to the decrease in average cane price during the year as lower sucrose content in sugar cane during the year as well as (b) the approximately 27.8% decrease in maintenance costs as some inventory of spare parts consumed for maintenance the cost of which already recognized in previous year as write-down of inventories of spare parts for property, plant and equipment.

Overall Performance *(Continued)*

Sugar Cane Growing and Sugar Manufacturing Business in Jamaica *(Continued)*

Business review (Continued)

In terms of net operation results, this segment recorded net loss of approximately HK$28.1 million (2023: approximately HK$57.9 million). The decrease of approximately HK$29.8 million was caused by, (i) the approximately HK$19.2 million increase gross profit which caused by the increase of average selling prices and the decrease in average unit production costs which have been explained above, (ii) the decrease in fair value loss of biological assets of approximately HK$9.0 million which mainly caused by the increase forecasted sugar cane price and increase in maturity of sugar cane, (iii) the decrease in finance cost of approximately HK$9.1 million which mainly caused by the approximately HK$12.1 million decrease in foreign currency translation loss by the decrease in annual depreciation of Jamaican dollar and the increase in interest expense of approximately HK$3.0 million from the increase in short-term loan during the year, but this positive impacts partially offset by negative impacts including, (iv) the decrease in other income of approximately HK$0.3 million which mainly caused by the decrease in sale of scrap metals, (v) the approximately HK$2.8 increase in administrative cost which mainly caused by the increase security cost and staff cost along with the increase Jamaica's minimum wage during the year, (vi) the increase in other operating expenses of approximately HK$4.4 million which mainly caused by the increase of approximately HK$3.7 million in write-down of inventories of spare parts for property, plant and equipment and the increase in the impairment loss of approximately HK$0.7 million on property, plant and equipment.

Ethanol Biofuel Business in Benin

Business review

Reference is made to the announcement of the Company dated 3rd March 2014 in relation to the impairment losses on ethanol biofuel business in Benin. Terms used in this report shall have the same meanings as those defined in the announcement dated 3rd March 2014 unless otherwise defined herein.

The ethanol operation in Benin is operated by Compagnie Beninoise De Bioenergie SA ("**CBB**"), a company incorporated under the Republic of Benin with limited liability and is a 90% indirectly owned subsidiary of the Company. The construction of ethanol plant of CBB continues to suspend during the year because Benin Government is still unable to execute the Leased Land provision in the Cooperation Agreement and Leased Land is still unavailable for CBB for cultivation of cassava and/or sugar cane to supply raw materials of its production of bioethanol. Construction works were still under suspension pending for appropriate alternate business plan. In current year, the Board considered that the likelihood to resume the construction in near future is still extremely remote as the Group still cannot figure out how to obtain sufficient raw materials under the situation Leased Land is not made available by the Benin Government. In light of the expected prolonged suspension of the construction of ethanol biofuel plant in the Republic of Benin, there is no sight of increase in the recoverable amount, which is the higher of value in use and fair value less costs of disposal during the year. As full provision of impairment loss has been made for the construction in progress, inventories and value-added tax recoverable, there is no additional impairment loss in year 2024.

In terms of net operation results, this segment recorded net operating loss of approximately HK$1.8 million (2023: net operating profit of approximately HK1.0 million). The increase in operating loss of approximately HK$2.8 million was mainly due the increase of foreign exchange translation loss during the year.

Overall Performance *(Continued)*

Supporting services to sweetener and ethanol business

Business review

The supporting service business segment remains inactive and did not record revenue in year 2024 and 2023. The business of the supporting service business segment was seriously hindered by proposed resolution in respect of the renewal of the continuing connected transactions in relation to the 2019-2021 supply agreements with customers and supplier was voted down by the independent shareholders at the extraordinary general meeting held on 31st May 2019. Therefore, the supporting service business segment cannot carry out any continuing connected transaction with its customers with connected parties.

The operating profit of this segment (that after elimination of inter-segment profit, if any,) was approximately HK$0.2 million (2023: approximately HK$0.8 million). The decrease in operating profit of approximately HK$0.6 million was mainly due the combined effect of reversal of expected credit losses on trade receivables of approximately HK$3.0 million, a decrease of administrative expense of approximately HK$0.2 million while these positive effects had fully offset by an increase in foreign exchange translation loss of approximately HK$3.8 million.

Dividend

The Board does not recommend the payment of a dividend for the years ended 31st December 2024 and 2023.

Prospects

Sugar business segment

The global sugar supply for year 2025 is expected to increase reflecting the improving global supply outlook, for example, the previous trade regulations by India, including export restrictions, to protect quantity for local consumption in India is expected to relax in 2025 by allowing one million tonnes of raw sugar export to world market in 2025. However, the magnitude of sales prices adjustments in Jamaica is expected to be lower because of government import controls and high import duties on raw sugar and molasses. On the supply aspect of sugar cane in Jamaica, it is expected that it will decrease. Such decrease is resulting from the adverse weather condition in 2024 that affected the growth of sugar cane will affect the sugar cane yield in next year. The decrease in sugar cane supply will reduce the production outputs. On the production costs aspect, the sugar cane price is expected to be relatively stable as that will follow the trend of the raw sugar price. While the labour cost, that accounts for about 10% of production cost, is expected to further increase as wage adjustment is demanding from local trade unions that may push up the production costs in year 2025. To cope reduce some negative impacts on the increasing labour cost and decreasing sugar cane yield, two new harvesting machines are planned to acquire in order to improve the harvesting efficiency and harvesting coverage area, this planned increase in the mechanical harvest can reduce the reliance on high-cost manual harvest. Under these backdrops, the revenue for sugar business and net operating loss may be negatively affected in year 2025.

The Jamaican government will continue to provide support local sugar industry. The main aspects are as follows: (i) providing fund for the road maintenance in sugarcane fields in accordance to the road conditions yearly; (ii) strictly restricting the raw sugar import to Jamaica to protect the local sugar industry; (iii) providing sugar cane haulage subsidies to some specified sugar cane farmers to support their delivery of their sugarcane to sugar mills for processing; and (iv) maintaining the Caribbean Sugar Alliance, countries in the Caribbean should be given priority to importing sugar from other sugar-producing countries in the region which is maintaining a protected market places among member countries.

Prospects *(Continued)*

Sugar business segment *(Continued)*

On aspect of factory operation, the maintenance work of factories and agricultural machinery and equipment will enhance to reduce equipment failures in the crushing season, and ensure the continuous operation of the factory to improve raw sugar and molasses output. While, on aspect of agricultural operation, the field management of the farm will enhance to improve the quality and quantity of sugar cane. It includes the grass control, formulating a sugarcane cutting plan and recruiting suitable sugar cane cutting workers in advance to ensure that sugar cane can be harvested timely and provide a constant and steady supply to the factory for processing in the cropping season.

Supporting service segment

The Group expects that Sino-Africa Technology & Trading Limited will continue to suspend those continuing connected transactions with connected parties in year 2025.

The supporting service segment will continue to control the cash outflows through maintaining key employee in concurrent post and keeping a small office.

Ethanol business segment

For the Group’s ethanol biofuel business, the construction of ethanol plant will continue to suspend in year 2025, pending for appropriate alternate business plan for this operation.

Financial Review

Liquidity and Financial Resources Review

Equity

As at 31st December 2024, the Company had 2,191,180,000 outstanding ordinary shares of HK$0.1 each (2023: 2,191,180,000 shares).

Capital deficiency attributable to owners of the Company as at 31st December 2024 amounts to approximately HK$908.6 million (2023: approximately HK$890.3 million).

Borrowings

As at 31st December 2024, the Group’s Hong Kong total borrowing (that consisted of amount payable on demand to Guangken Sugar, amounts due to non-controlling interests and lease liabilities) of approximately HK$1,174.8 million (2023: approximately HK$1,148.4 million), of which approximately HK$518.1 million (2023: approximately HK$518.1 million) was the amount payable on demand to Guangken Sugar, approximately HK$631.3 million (2023: approximately HK$604.6 million) was the amounts due to non-controlling interests, and approximately HK$25.4 million (2023: approximately HK$25.7million) was the lease liabilities.

Financial Review *(Continued)*

Liquidity and Financial Resources Review *(Continued)*

Gearing

As the shareholder's equity attributable to owners of the Company was a deficiency of approximately HK$908.6 million (2023: approximately HK$890.3 million), the calculation of gearing ratio as at 31st December 2024 and 2023 were inappropriate.

Financial Resources

Bank deposits and cash balances as at 31st December 2024 amounted to approximately HK29.7 million (2023: approximately HK$37.4 million), mainly denominated in Hong Kong Dollars, US Dollars and Jamaican dollars. The bank balances were placed in short term deposits with major banks in Hong Kong and Jamaica. The bank balance and cash decreased by approximately HK$7.7 million. The approximately HK$7.7 million decrease cash and cash equivalents was brought by the net cash inflow from operating activities of approximately HK$10.5 million, the net cash outflow from investing activities of approximately HK$4.0 million, the net cash inflow from finance activities of approximately HK$6.3 million and the positive effect of exchange rate changes on cash and cash equivalents of approximately HK$0.5 million.

In view of net loss and capital deficiency positions of the Group, the management had implemented the measures, among others, to secure a letter of support from Guangken Sugar not to recall any of the amount due to it until the Group is able to pay its other creditors in the normal course of business as well as to carry out various cost control measures and budgetary controls in order to mitigate the Group's liquidity pressure and to improve the conditions of cash flow. In light of such implemented measures and the Group's cash flow projections which covered a period up to 31st December 2025, the management and also the Board were satisfied that the Group's ability to continue to finance its business operations with the internally generated finance resources.

Capital Structure

There is no change in capital structure during the year under review.

Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group's overall financial and funding policies were aimed to control credit risk to lower the risk of credit sales, the liquidity risk to ensure that funds would be recovered on a timely basis to fulfill the requirement of debt repayment and to closely monitor the overall currency and interest rate exposures to minimize risks in their fluctuation. The Group did not use any derivative financial instruments to hedge for its risk exposure during the year ended 31st December 2024.

Financial Review *(Continued)*

Liquidity and Financial Resources Review *(Continued)*

Foreign Exchange Exposure

The Group's operates in Jamaica and African countries, China and Hong Kong. During the year ended 31st December 2024, revenue was denominated mainly in US dollars and Jamaican dollars while its costs and expenses were primarily in Jamaican Dollars and US dollars where the Group's continuing operations are based. The Group is exposed to potential foreign exchange risk as a result of fluctuations between those currencies that are not pegged. In addition, the main operational assets of the Group are located and denominated in local currencies in Jamaica and African countries while the Group's reporting currency is in Hong Kong dollars. This also exposes the Group to potential foreign exchange risk upon translation of those assets on each reporting date.

The Group did not enter into any arrangements or financial instruments for the purpose of hedging against the potential foreign exchange risks during the year under review. In the event that Jamaican dollars were to depreciate substantially against US dollars, the risk can be mitigated by increasing the sales denominated in US dollars. As for the operational assets of the Group, any foreign exchange losses due to translation of the carrying value of the assets to the Group's reporting currency on reporting dates are unrealised and non-cash in nature. As such, active hedging activities are not considered warranted. Nonetheless, management will monitor closely its foreign currency exposure to ensure appropriate measures are taken promptly against any significant potential adverse impact.

Pledge of Assets

As at 31st December 2024 and 2023, the Group did not have any pledge of assets.

Capital Commitment

As at 31st December 2024, the Group did not have any significant capital commitments.

Significant Investments Held

The Group had not made any significant investment during the year ended 2024 and 2023.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

The Group had no material acquisition or disposal of subsidiaries, associates or jointly controlled entities during the year under review.

Financial Review *(Continued)*

Liquidity and Financial Resources Review *(Continued)*

Future plans for material investments and capital assets

Reference is made to the announcement made by the Company dated 1st February 2010 and definitions of this announcement are adopted herein, there is no new progress for the MOU signed by the Company and CADFund on 31st January 2010 in respect of the Possible Transactions during year 2024.

Except that, the Group had no other future plans for material investment material investments and capital assets during the year under review.

Employees and Remuneration Policy

Staff remuneration packages of the Group are comprised of salary and discretionary bonuses and are determined with reference to the market conditions and the performance of the Group and the individuals concerned. The Group also provided other staff benefits including medical insurance, provident funds and share options to eligible staff of the Group. The total staff costs (including the directors' remuneration and employees' remuneration, contribution to retirement benefits scheme) of the Group in the year under review was approximately HK$52.9 million (2023: approximately HK$47.6 million), of which, approximately J$1.0 billion (approximately HK$51.7 million) (2023: approximately J$0.9 billion (approximately HK$46.4 million)) was the total staff cost in sugar cane growing and sugar manufacturing business in Jamaica. The approximately HK$5.3 million increased in staff cost was mainly due to the increase in staff cost of approximately HK$5.3 million (approximately 13.4%) of the sugar business segment along with the approximately 15.3% in minimum wage by the Jamaican government in year 2024.

As at 31st December 2024, the Group had 144 full time employees (2023: 142) and 408 temporary employees (2023: 522). The decrease in 114 (approximately 21.8%) temporary employees was due to the start of crushing season of 2024/2025 had postponed one month to January next year comparing to the crushing season of 2023/2024 started in December.

Wu Shurong
Chairman

Hong Kong, 31st March 2025

Profile of Directors and Senior Management

Directors

Executive Directors

Mr. Wu Shurong ("**Mr. Wu**"), aged 53, was appointed as executive Director, the chairman of the Board, a member of the Remuneration Committee, the chairman of the Nomination Committee on 30 September 2024. Mr. Wu obtained graduated a Bachelor's Degree in Economics from the Central University of Finance and Economics. Mr. Wu has over 16 years of experience of business management, management of equity investment and corporate governance. Mr. Wu joined the group company under Guang Dong Agribusiness Group Corporation ("**Guangken**"), the controlling shareholder of the Company, in April 2008. From May 2016 to present, Mr. Wu works in capital operation division, development planning division, investment development department and investment management department of Guangken, with his present serving position as director of investment management department, overseeing the equity investment of Guangken. From December 2016 to present, he also serves as a director of Guangdong Guangken Rubber Group Co., Ltd., a group company of Guangken, oversighting the corporate governance matters. Prior to that, from April 2008 to May 2016, Mr. Wu worked in Guangdong Yantang Dairy Co Ltd, a company listed on Shenzhen Stock Exchange (Stock Code 002732), with his last serving position as deputy general manager, participating in its daily operations and management.

Mr. Wang Xiang ("**Mr. Wang**"), aged 51, was appointed as an executive Director and a member of Nomination Committee on 30 September 2024. Mr. Wang obtained a Bachelor's degree in Law and a Master's degree in Environmental and Resource Protection Law from Wuhan University. Mr. Wang has over 24 years of experience of legal affairs and corporate governance. Mr. Wang joined Guangken in July 2000. From July 2000 to present, Mr. Wang works in business operation & management department of Guangken, presently serving as the deputy director of this department, responsible for legal affairs and corporate governance. Furthermore, Mr. Wang also presently serves as the chief supervisor of Guangdong Guangken Tourism Group Co., Ltd. since September 2023, a group company of Guangken, oversighting the management carrying out duties in accordance to laws and regulations in China.

Mr. Liu Jun ("**Mr. Liu**"), aged 38, was appointed as an executive Director and a member of the Remuneration Committee on 30 September 2024. Mr. Liu obtained a Bachelor's degree in Business Administration from Anhui Institute of Science and Technology and a Master's degree in Accounting from Zhongnan University of Economics and Law. Mr. Liu is a non-practicing member of Chinese Institute of Certified Public Accountants since May 2019, qualified as an intermediate accountant conferred by the Human Resources and Social Security Bureau of China since January 2015, qualified as a Certified Tax Agent conferred by China Certified Tax Agent Association since May 2016 and received the Legal Professional Qualification Certificate issued by the Ministry of Justice of the PRC in March 2018. Mr. Liu has over 10 years of experience of financial management. Mr. Liu joined the group company under Guangken in June 2013. From October 2017 to present, Mr. Liu works in both financial department and investment management department of Guangken, presently serving as the manager of the financial department and as the assistant to director of the investment management department, responsible for financial management. Prior to that, from June 2013 to October 2017, Mr. Liu worked in audit and finance divisions in Guangdong Zhanjiang Agribusiness Group Company, a group company of Guangken, with his last serving position as manager of the finance division, responsible for financial management.

Directors *(Continued)*

Executive Directors *(Continued)*

Mr. Li Baojian ("**Mr. Li**"), aged 41, was appointed as executive Director on 30 September 2024. Mr. Li obtained Bachelor's Degree in Finance from Henan University of Finance and Economics and a Master's Degree in Finance from Jinan University. Mr. Li is qualified as an intermediate accountant conferred by the Human Resources and Social Security Bureau of China since August 2011. Mr. Li has over 16 years of experience of agricultural business, financial and marketing management. Mr. Li joined the group company under Guangken in July 2008. Mr. Li is a director of Guangken Sugar Industry International Co., Ltd. (formerly known as COMPLANT International Sugar Industry Co., Ltd.), a substantial shareholder of the Company, since June 2024. From December 2022 to present, he works in Guangdong Guangken Sugar Group Co., Ltd., a group company of Guangken, presently serving as a director and as the deputy general manager, responsible for supply and sales management. From December 2015 to December 2022, Mr. Li worked in Guangdong Yueken Agricultural Micro-Credit Co., Ltd., a group company of Guangken, served as deputy general Manager, in charge of the financial and business management for regions of eastern Guangdong, Zhaoqing and Dongguan. From July 2008 to December 2015, Mr. Li worked in Guangdong Guangken Rubber Group Co., Ltd., a group company of Guangken, his last serving position was the manager of fund department, responsible for general management and financial and marketing management.

Independent Non-Executive Directors

Ms. Ng Lai Man Carmen ("**Dr. Ng**"), aged 60, was appointed as an independent non-executive Director, the chairwoman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee. Dr. Ng received her Doctor of Business Administration from The Hong Kong Polytechnic University, Degree of Juris Doctor from The Chinese University of Hong Kong, Master of Laws in Corporate and Financial Laws from The University of Hong Kong, Master of Business Administration from The Chinese University of Hong Kong, Master of Professional Accounting from The Hong Kong Polytechnic University as well as Master of Science in Global Finance jointly offered by Leonard N. Stern School of Business of New York University and The Hong Kong University of Science & Technology. Dr. Ng has about 30 years of experience in professional accounting service, corporate finance and asset management in Hong Kong. Dr. Ng is a practising certified public accountant in Hong Kong and is currently a director of Cosmos CPA Limited in Hong Kong and the responsible officer of Redwood Asset Management Limited which is licensed with Securities and Futures Commission. Dr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants, Association of Chartered Certified Accountants in the United Kingdom and The Institute of Chartered Accountants in England and Wales. Dr. Ng is currently an independent non-executive director of eSun Holdings Limited (Stock Code: 571), Global International Credit Group Limited (Stock Code: 1669) and Moiselle International Holdings Limited (stock code: 130). Dr. Ng was an independent non-executive director of Lion Rock Group Limited (Stock Code: 1127) from 23 June 2011 to 17 May 2024. All are being companies listed on The Stock Exchange of Hong Kong Limited.

Profile of Directors and Senior Management

Directors *(Continued)*

Independent Non-Executive Directors *(Continued)*

Mr. Tan Chuen Yan Paul ("**Mr. Tan**"), aged 66, was appointed as an independent non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee on 30 September 2024. Mr. Tan received a bachelor's degree in economics as well as a bachelor's degree and a master's degree in laws from the University of Sydney in Australia. Mr. Tan is a solicitor in Hong Kong. Mr. Tan has about 40 years of experience in the legal industry having practised as a solicitor in both Sydney and Hong Kong. Mr. Tan joined Baker McKenzie in 1982, the former managing partner of its Hong Kong, mainland China, Vietnam offices. retired as a partner of Baker McKenzie December 2019. Mr. Tan is currently an independent non-executive director of Kerry Logistics Network Limited (Stock Code: 636) and Hung Hing Printing Group Limited (Stock Code: 450), all being companies listed on The Stock Exchange of Hong Kong Limited.

Mr. Shi Zhu ("**Mr. Shi**"), aged 57, was appointed as independent non-executive Director, chairman of Remuneration Committee and members of Audit Committee and Nomination Committee on 12 December 2017. Mr. Shi obtained his first degree in Bachelor of Arts, majoring in English, from the Anhui Fuyang Teacher's University in the PRC in July 1989 and his second degree in Bachelor of law, majoring in Journalism, from the Communication University of China in July 1993. Mr. Shi worked at the Ministry of Commerce of the PRC for over 16 years. From November 1993 to May 2000, Mr. Shi served various positions including front-page editor as well as deputy chief editor and chief editor of the English version of International Business Monthly under International Business Daily, a publishing entity under the Ministry of Commerce of the PRC. Mr. Shi was appointed by the Ministry of Commerce of the PRC to work at the Embassy of the PRC in New Zealand where he acted as the Commercial Consul and was in charge of economic and commercial affairs from June 2000 to December 2000 and Mr. Shi subsequently returned to International Business Daily and served various positions including chief editor of Important News, director of general office, chief editor of China-ASEAN Business Week, chief editor of Features from January 2001 to February 2008. After that, Mr. Shi migrated to Hong Kong under the Quality Migrant Admission Scheme in February 2008. Mr. Shi was the director of BOCHK Wealth Achieve Fund Series SPC, a serial investment fund company wholly owned by BOCHK Asset Management Limited from May 2017 to January 2020. Mr. Shi was also the director and general manager of Shenzhen Sanhong Asset Management Limited, a private equity company incorporated in the PRC which principally engaged in equity investment and supply chain finance in the PRC and South East Asia, from September 2015 to October 2020. In addition, Mr. Shi is a director of Joyful Capital Limited, a company incorporated in Hong Kong which principally engaged in investment and investment consultancy in Hong Kong and the PRC, since May 2008. Besides, Mr. Shi is an independent non-executive director of Capital Realm Financial Holdings Group Limited (formerly known as China Investment Development Limited) (Stock Code: 204) since August 2021, an non-executive director since December 2024 and co-chairman since February 2025 of Pinestone Capital Limited (Stock Code: 804) since December 2024, both companies are listed on the main board of the Hong Kong Stock Exchange.

Senior Management

Mr. WAN Hok Shing ("**Mr. Wan**"), aged 58, is the Financial Controller and Company Secretary of the Group. He is responsible for overall financial reporting, corporate finance and compliance matters of the Group. Mr. Wan has over 32 years of experience in corporate finance, listing compliance, accounting and auditing. Prior to joining the Group in August 1999, he held a senior finance position in another Main Board listed company and worked at one of the big four international accounting firms for about five years. Mr. Wan was in charge of the Group's initial public offering on the Main Board in 2000 and he also assist the Group in a series of subsequent financial activities including fund raising, acquisition and corporate restructuring activities etc. He is currently a Fellow Member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the UK, a Chartered Secretary, a Chartered Governance Professional and an Associate Member of The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators of the UK) and The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and a Member of The Chinese Institute of Certified Public Accountants of the PRC. Mr. Wan holds a Bachelor's Degree with Honours in Hospitality Management from the Hong Kong Polytechnic University, a Diploma (Pass with Distinction) and an Advanced Diploma in Legal Studies – Professional Stream (Pass with Merit) from the University of Hong Kong. Mr. Wan has also been awarded the Chartered Financial Analyst (CFA) charter by CFA Institute USA after passing all three levels of the rigorous exam series on his first attempts. CFA charter has been recognised in the UK as being equivalent to a Master's Degree in Finance.

Directors' Report

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31st December 2024.

Principal Activities

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in note 34 to the consolidated financial statements.

There was no significant change to the Group's principal activities during the current year.

Results and Appropriations

The results of the Group for the year ended 31st December 2024 is set out in the consolidated statement of profit or loss and other comprehensive income on pages 51.

The directors do not recommend the payment of any dividend in respect of the year ended 31st December 2024.

Business Review

A business review of the Group for the year ended 31st December 2024 and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are shown in "Chairman's Statement and Management Discussion and Analysis" section of this annual report. The capital risk management and the financial risk management objectives and policies of the Group are set out in notes 6 and 7 respectively to the consolidated financial statements. An analysis of the Group's performance using financial key performance indicators is shown in "Five-Years Financial Summary" section of this annual report.

Environmental policies and performance

As one of the leading sugar manufacturer in Jamaica, the Group believes that the sugar cane plantation and sugar manufacturing should carry on in an environmentally responsible way. The Group believes that in the long run, due performance of environmental responsibility would definitely improve the effectiveness of the utilisation of the Group's resources and would raise the economic efficiency to the Group.

The Group has established the environmental protection policies that include both emission reduction and energy-saving policies in order to minimize the impacts to the environment. There was no material breach of or non-compliance with environmental policies by our Group.

Compliance with the relevant laws and regulations that have a significant impact on the Company.

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact to the Group. There was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

Business Review *(Continued)*

Key relationships with stakeholders

The Group believes that its success depends on the support from the key stakeholders, which comprise employees, customers, suppliers and shareholders.

Employees

The Group respects its employees and endeavours to provide the better working conditions for its employees. The Group has established various policies in relation to the labour practices including the remuneration and dismissal, recruitment and promotion, working hours, holidays, disciplinary practice, equal opportunity, diversity and other benefits and welfare so as to provide a fair, healthy and safe working environment for all employees. The Group has also established the policies for remuneration of employees so as to provide the fair and competitive remuneration packages for the employees under the systemic remuneration management. The Group provides equal opportunity for employees in respect of promotion, appraisal, training, development and other aspects in order to build up a sound career platform for employees.

Customers

The Group aims at providing its customers with the qualified products and has adopted a system to control strictly the manufacturing processes of its products and the product quality. All products are manufactured according to the specified procedures and are required to undergo a thorough quality inspection process in order to assure the products quality. The Group has maintained a customer service team to handle the enquiries about the products from the customers. The customer service team handles the customers' feedback and complaints according to the stated procedures.

Suppliers

The Group used to work with the suppliers with the same objectives and develops mutually successful working relationships with the key suppliers. The Group strictly follows its policy, which is constructed under the Group's corporate culture of integrity, and professional standard in the selection of suppliers and purchasing process. Although the cost of purchasing is a major consideration in selecting suppliers, the Group would also consider the suppliers' corporate social responsibility performances, which include the suppliers' performances on the aspects of legal and regulatory compliance, business ethics, labour practices and environmental protection etc.

Shareholders

One of the Group's objectives is to maximize shareholders' value and safeguard the interests of the shareholders. The Group believes that good governance is essential to achieving the aforesaid objective so that it has adopted the standards of corporate governance. The Group is committed to ensure the sustainable development of the Group and to maintain the stable dividend payouts after taking into account the capital adequacy levels, liquidity positions and business expansion needs of the Group.

Directors' Report

Permitted Indemnity Provision

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year of 2024.

Financial Summary

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 100.

Property, Plant and Equipment

During the year, the Group spent approximately HK$4,231,000 (2023: approximately HK$2,252,000) on acquisition of property, plant and equipment. Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 18 to the financial statements.

Share Capital

Details of the Company's share capital are set out in note 28 to the consolidated financial statements.

Distributable Reserves of the Company

The company's reserves available for distribution consisted of the special reserve (contributed surplus) of approximately HK$468,577,000 (2023: HK$468,577,000) that offset the accumulated losses of approximately HK$1,820,721,000 (2023: HK$1,734,628,000). There were no net distributable reserves available as at 31st December 2024 and 2023.

Major Customers and Suppliers

The aggregate sales attributable to the Group's five largest customers during the year accounted for approximately 99.1% of the Group's turnover and the Group's largest customer accounted for approximately 99.4% of the Group's total sales.

The aggregate purchases attributable to the Group's five largest suppliers during the year accounted for approximately 31.1% of the Group's total purchases and the Group's largest supplier accounted for approximately 31.4% of the Group's total purchases.

At no time during the year did a director, an associate of a director or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest suppliers.

Directors and Directors' Service Contracts

The directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Wu Shurong (appointed on 30th September 2024)
Mr. Wang Xiang (appointed on 30th September 2024)
Mr. Liu Jun (appointed on 30th September 2024)
Mr. Li Baojian (appointed on 30th September 2024)
Mr. Han Hong (resigned on 30th September 2024)
Mr. Wang Zhaohui (resigned on 30th September 2024)
Mr. Zhang Qi (resigned on 30th September 2024)

Non-Executive Directors:

Mr. Zhang Zhaogang (resigned on 30th September 2024)
Ms. Chen Si (resigned on 30th September 2024)

Independent Non-Executive Directors:

Dr. Ng Lai Man Carmen (appointed on 30th September 2024)
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)
Mr. Shi Zhu (appointed on 30th September 2024)
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)
Dr. Lu Heng Henry (resigned on 30th September 2024)

Mr. Wu Shurong, Mr. Wang Xiang, Mr. Liu Jun, Mr. Li Baojian, Dr. Ng Lai Man Carmen and Mr. Tan Chuen Yan Paul will retire from the office in accordance with the Article 26.3 of the Company's Articles of Association and Mr. Shi Zhu will retire from the office in accordance with the Article 26.4 of the Company's Articles of Association. All of them being eligible, offer themselves fro re-election at the forthcoming annual general meeting.

The terms of office of each of the independent non-executive directors is the period up to his retirement by rotation as required by the Company's Articles of Association.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Biographical Details of Directors and Senior Management

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Profile of Directors and Senior Management" on pages 12 to 15 of this annual report.

Directors' Remuneration

Details of the Directors emoluments are set out in note 13 to the consolidated financial statements in this annual report. The Directors' remunerations are determined subject to the recommendations of the Remuneration Committee and the Board's approval with reference to Directors' duties, responsibilities and performance and the results of the Group.

Directors' and Chief Executives' Interests in Securities and Short Position

As at 31st December 2024, none of the Directors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be maintained under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Company.

Share Options

2000 Share Option Scheme

The Company's 2000 Share Option Scheme was adopted pursuant to a resolution passed on 4th January 2000 and has terminated by a resolution passed by shareholders on 20th September 2007.

Up to 31st December 2024, no share option was granted since adoption under the terminated 2000 share option scheme.

2007 Share Option Scheme

The Company has, in accordance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), adopted a new share option scheme (the "**2007 Share Option Scheme**"), as approved by the shareholders of the Company at the extraordinary general meeting held on 20th September 2007. The purpose of the 2007 Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to the employees, directors, consultants and advisers of the Group and to promote the success of the Group. The details of the 2007 Share Option Scheme as pursuant to the Listing Rules, are set out in the Company's circular dated 3rd September 2007.

As at the end of reporting period, no share option has been granted under the 2007 Share Option Scheme since its adoption.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme as disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of share in, or debentures of, the Company or any other body corporate.

Substantial Shareholders

As at 31st December 2024, the following persons (other than a director or a chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long Position

Name	Nature of interests and capacity in which interest are held				Approximate % of the issued share capital
	Beneficial Interest	**Interest in controlled corporation**	**Interest of Spouse**	**Total**	
Guang Dong Agribusiness Group Corporation ("**Guangken**") (Note 1)	800,000,000	–	–	800,000,000	36.51
Guangken Sugar Industry International Co., Ltd. (formerly known as COMPLANT International Sugar Industry Co., Ltd.) ("**Guangken Sugar**") (Note 1)	300,000,000	–	–	300,000,000	13.69
Guangken Rubber (Singapore) Pte. Ltd. ("**Guangken Rubber**") (Note 1)	269,988,785	–	–	269,988,785	12.32
Hollyview International Limited ("**Hollyview**") (Note 2)	212,495,083	–	–	215,943,083	9.70
Mr. Hu Yebi (Note 2)	–	212,495,083	3,448,000	215,943,083	9.86
Ms. Li Ling Xiu (Note 2)	3,448,000	–	212,495,083	215,943,083	9.86

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Note 1: Guangken holds 70% of Guangken Sugar and 100% of Guangken Rubber.

Note 2: Hollyview is beneficially and wholly owned by Mr. Hu Yebi, a former director of the Company, and so Mr. Hu Yebi is deemed to be interested in the 212,495,083 Shares held by Hollyview by virtue of the SFO. Mr. Hu Yebi is also deemed to be interested in the Shares held by Ms. Li Ling Xiu, his spouse, by virtue of the SFO. Among these 215,943,083 Shares, 3,448,000 Shares are beneficially owned by Ms. Li Ling Xiu.

Save as disclosed herein, the Company has not been notified of any other person (other than a director of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31st December 2024.

Connected Transactions and Continuing Connected Transactions

Connected Transactions

Save for the continuing connected transactions as disclosed below, during the year ended 31st December 2024, the Group has not carried out any connected transactions that are not exempt from annual reporting requirement in Chapter 14A of the Listing Rules.

Continuing Connected Transactions

Non-Exempted Continuing Connected Transaction

As the renewal of the continuing connected transactions in relation to the 2019-2021 Supply Agreements with Customers and Supplier was voted down by the independent shareholders at the extraordinary general meeting on 31st May 2019, the supporting service business segment cannot carry out any non-exempted continuing connected transaction with connected parties, therefore, the Group had not entered into any non-exempted continuing connected transaction during the year ended 31st December 2024.

Exempted Continuing Connected Transaction

The exempted continuing connected transaction during the year ended 31st December 2024 is relating to a tenancy agreement between Sino-Africa Technology & Trading Limited (SATT), a subsidiary of the Company and China National Complete Plant Import and Export Group Corporation Limited ("**China Complant**"), the former controlling shareholder of the Company, and two rental agreements between the Company and COMPLANT Hong Kong Limited, a subsidiary of China Complant. SATT entered office tenancy agreement dated 7th May 2024 with China Complant for an initial term of one year with an effective date from 1st January 2024 to 31st December 2024 for of rental and management fee payable of approximately HK$51,000. The Company entered into two office rental agreements dated 5th December 2023 and 9th December 2024 respectively with COMPLANT Hong Kong Limited which covered this reporting period inclusively from 1st January 2024 to 31st December 2024 to bear the rental expense on the basis of actual work space occupied by the Company of approximately HK$516,000. As applicable percentage ratios as defined under the Listing Rules calculated for the Company in respect of the aggregate amount payable by the SATT and the Company of approximately HK$567,000 is less than 5% and the total consideration is less than HK$3 million, the tenancy agreement and rental sharing agreement are exempted from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Related Party Transactions

Details of the related party transactions undertaken by the Group in its normal course of business are set out in note 32 to the consolidated financial statements. For those related party transactions which constituted connected transactions or continuing connected transactions under the Listing Rules, they are set out in the above paragraph headed "Connected Transactions". It has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Directors' Interest in any Transactions, Arrangement or Contracts of Significance

No transaction, arrangement or contracts of significance, to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a director 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.

Management Contracts

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the year.

Equity-Linked Agreements

The Company or any of its subsidiaries have not entered into any equity-linked agreement during the year.

Purchase, Sale or Redemption of the Company's Listed Securities

At no time during the year, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

Sufficiency of Public Float

Throughout the year ended 31st December, 2024 until the date of this report, based on the information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital is held by the public.

Pre-Emptive Rights

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

Emolument Policy

The Remuneration Committee reviews the Group emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating result, individual performance and comparable market statistics.

The Company has adopted a share option scheme as incentive to directors and eligible employees, details of the scheme are set out as "Share Options" above.

Corporate Governance

Details of corporate governance are set out in the section headed "Corporate Governance Report" in this annual report.

Independent Non-Executive Directors' Confirmation of Independence

The Company received from Dr. Ng Lai Man Carmen and Mr. Tan Chuen Yan Paul at date of appointment on 30th September 2024 of their confirmation of independence pursuant to Rule 3.13 of the Listing Rules and from Mr. Shi Zhu his annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee assessed the independence of the independent non-executive directors and affirmed that all independent non-executive directors remained independent.

Auditor

BDO Limited was first appointed as auditor of the Company in 2015 upon the retirement of SHINEWING (HK) CPA Limited.

The consolidated financial statements have been audited by BDO Limited who will retire and being eligible to be reappointed as auditor of the Company at the forthcoming annual general meeting.

On behalf of the Board
Wu Shuron
Chairman

Hong Kong, 31st March 2025

The Board is pleased to present this Corporate Governance Report of the Group for the year ended 31st December 2024.

Corporate Governance Practices

The Board acknowledges the importance of the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing the Shareholders' value and safeguarding interest of the Shareholders. Accordingly, the Company has adopted sound corporate governance principles that emphasis an effective internal control and accountability to all Shareholders.

The Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules (the "**CG Code**") during the year under review, save for the deviation from code provisions C.2.1, C.2.4, C.1.6, and F.2.2 which are explained below.

Code On Corporate Governance Practices

During the year ended 31st December 2024, the Company has complied with the code provisions of the Corporate Governance Code as set out in the Appendix 14 to the Listing Rules (the "**Code**"), except for the following deviation: –

Code Provision C.2.1 and C.2.4

Under the code provision C.2.1, the roles of chairman and chief executive officer (the "**CEO**") should be separate people and should not be performed by the same individual. The divisions of responsibilities between the chairman and CEO should be clearly established and set out in writing. Under the new code provision C.2.4, the chairman should provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner.

The Company segregates the role of Chairman from the Managing Director who also assumes the responsibilities of chief executive officer. Mr. Liaw Yuan Chian was the Managing Director till his resignation on 16th December 2010. The Company has not refilled this position yet that calls for an exhaustive scrutiny in the selection. The Board considered the balance of power between the Board members and the balance of authority between the Board and the management have not been impaired after the resignation of the Managing Director, given that about half of the Board members are independent non-executive and a clear division of responsibilities are in place for the running of the business of the Group. The Company remains structured to ensure appropriate segregation of duties so that power is not concentrated in any one individual.

Code Provision C.1.6

Under the code provision C.1.6, independent non-executive Directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and development a balanced understanding of the views of shareholders. Due to other business engagements, the former independent non-executive directors of Mr. Cheng Tai Kwan Sunny and Dr. Lu Heng Henry did not attend the annual general meeting held on 27th June 2024.

Code Provision F.2.2

Under the code provision F.2.2, the chairman of the Board should attend the annual general meeting. Mr. Zhang Zhaogang, the former chairman of the Board was unable to attend the annual general meeting of the Company held on 27th June 2024 due to another business engagement.

Corporate Culture

A positive and progressive corporate culture across the Group is vital for the Company to achieve its purpose towards the sustainable growth. It is the role of the Board to foster the Group's corporate culture with the core principles of integrity and accountability to guide the behaviours of its employees and ensure that the Company's purpose, values and business strategies are aligned to it.

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**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all Directors declared that they have complied with the Model Code for the year ended 31st December 2024.

The Board Of Directors

(a) Responsibilities

The Board is responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored. The Board reserves the right to decide all policy matters of the Group and material transactions. The Board delegates the day-to-day operations to general managers and department heads who are responsible for different aspects of the operations of the Group. The Directors are continually updated with the regulatory requirements, business activities and development of the Group to facilitate the discharge of their responsibilities. The management has the obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each Director has separate and independent access to the Group's management to acquire more information than is volunteered by management and to make further enquiries if necessary. There are established procedures for Directors to seek independent professional advices for them to discharge their duties and responsibilities, where appropriate at the Company's expenses.

The Board Of Directors *(Continued)*

(b) Composition

The Board currently comprises three executive Directors, two non-executive directors and three independent non-executive Directors from different business and professional fields. The Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business and professional expertise, experiences and independent judgment to the Board for its efficient and effective delivery of the Board function.

Composition of the Board and its changes during the year ended 31st December 2024 and up to date of this annual report is as follows:

Executive Directors

Mr. Wu Shurong (appointed on 30th September 2024)
Mr. Wang Xiang (appointed on 30th September 2024)
Mr. Liu Jun (appointed on 30th September 2024)
Mr. Li Baojian (appointed on 30th September 2024)
Mr. Han Hong (resigned on 30th September 2024)
Mr. Wang Zhaohui (resigned on 30th September 2024)
Mr. Zhang Qi (resigned on 30th September 2024)

Non-Executive Directors

Mr. Zhang Zhaogang (resigned on 30th September 2024)
Ms. Chen Si (resigned on 30th September 2024)

Independent Non-Executive Directors

Dr. Ng Lai Man Carman (appointed on 30th September 2024)
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)
Mr. Shi Zhu
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)
Dr. Lu Heng Henry(resigned on 30th September 2024)

The profiles of Director at date of this report are set out in the “Profile of Directors and Senior Management” section on pages 12 to 15.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

(c) Appointment and Re-election of Directors

According to the Company’s articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors to retire every year shall be those appointed by the Board during the year and those who have been longest in office since their last re-election. Any new Director appointed as an addition to the Board shall submit himself/herself for re-election by Shareholders at the next following annual general meeting of the Company after appointment.

The Board Of Directors *(Continued)*

(d) Induction for Directors

Each newly appointed Director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

(e) Directors' Continuous Training and Development

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution into the Board remains informed and relevant.

The Directors are committed to complying with the CG Code A.6.5 which came into effect on 1st April 2012 on Directors' training. All Directors have participated in continuous professional development by studying written materials relevant to Director's duties and responsibilities.

The Board Of Directors *(Continued)*

(f) Board Meetings and Shareholders Meetings Attended

According to the CG Code, the board of directors should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the reporting period, the Company convened a total 5 board meetings, 5 committee meetings, and an annual general meeting. Attendance records of the directors at the board and committee meetings (directors who involved in connected transactions required to be abstained from the meetings are also deemed as attending directors of respective board meetings and board committee meetings) as well as the annual general meeting in year 2021 are set out as follows:

Name of Director	Board Meetings (Note 1)	Committee Meetings (Note 2)	Attendance at annual general meeting (Note 3)
Executive Directors			
Mr. Wu Shurong (appointed on 30th September 2024)	1/5	0/7	0/1
Mr. Wang Xiang (appointed on 30th September 2024)	1/5	0/7	0/1
Mr. Liu Jun (appointed on 30th September 2024)	1/5	0/7	0/1
Mr. Li Baojian (appointed on 30th September 2024)	1/5	0/7	0/1
Mr. Han Hong (resigned on 30th September 2024)	4/5	0/7	0/1
Mr. Wang Zhaohui (resigned on 30th September 2024)	4/5	0/7	0/1
Mr. Zhang Qi (resigned on 30th September 2024)	4/5	0/7	0/1
Non-Executive Directors			
Mr. Zhang Zhaogang (resigned on 30th September 2024)	4/5	3/7	0/1
Ms. Chen Si (resigned on 30th September 2024)	4/5	3/7	0/1
Independent Non-Executive Directors			
Dr. Ng Lai Man Carmen (appointed on 30th September 2024)	4/4	5/5	1/1
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)	4/4	5/5	0/1
Mr. Shi Zhu	5/5	7/7	1/1
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)	4/5	7/7	0/1
Dr. Lu Heng Henry (resigned on 30th September 2024)	4/5	7/7	0/1

Note 1: There was four board meetings held from 1st January 2024 to 30th September and one board meeting held from 1st October 2024 to 31st December 2024.

Note 2: All Committee meetings in 2024 held before 30th September 2024. Therefore, zero attendance rate for those newly appointed Committee members on 30th September 2024.

Note 3: 2024 annual general meeting held on 27th June 2024. Therefore, zero attendance rate for those newly appointed Directors on 30th September 2024.

Independence of Non-Executive Directors

The Company received from Dr. Ng Lai Man Carmen and Mr. Tan Chuen Yan Paul at date of appointment on 30th September 2024 of their confirmation of independence pursuant to Rule 3.13 of the Listing Rules and from Mr. Shi Zhu his annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent parties. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his or her own personal particulars that may affect his or her independence.

Independence and Gender Diversity

The independent non-executive Directors bring independent judgement, knowledge and experience to the Board.

As a move to maintain the independence and gender diversity of the Board, Ms. Ng Lai Man Carmen was appointed as independent non-executive Director on 30th September 2024 when Ms. Chen Si resigned as a non-executive Director of the Company on 30th September 2024, details of which was set out in the announcement of the Company dated 30th September 2024.

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

1. Three out of the seven directors are independent non-executive Directors which represents more than one-third of the Board.

2. All independent non-executive Directors continue to devote adequate time contribution to the Company.

3. All independent non-executive Directors share their views and opinions through regular Board/Committee meetings.

4. External independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

5 The Nomination Committee will assess the independence of a candidate for a new independent non-executive Director appointment and also the continued independence of existing independent non-executive Directors on an annual basis. All independent non-executive Directors are required to confirm in writing annually their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules.

6 No equity-based remuneration with performance-related elements will be granted to the independent non-executive Directors.

During the financial year ended 31st December, 2024, the Board reviewed the implementation and effectiveness of the abovementioned mechanisms and considered that such mechanisms remain effective.

Board Committees

The Company has established the Nomination Committee in February 2012 and maintained the Audit Committee and Remuneration Committee throughout the year to oversee particular aspects of the Group's affairs. Each of these committees has specific written terms of reference, which deal clearly with their authorities and duties. The chairmen of the committees will report the findings and recommendations of the committees to the Board after each meeting. The minutes of all meetings of the committees are circulated to the Board for information.

(a) Nomination Committee

The Nomination Committee was established by the Company in February 2012. As at the date of this report, the Nomination Committee comprises two executive Directors of the Company, namely Mr. Wu Shurong and Mr. Wang Xiang and three independent non-executive Directors of the Company, namely Dr. Ng Lai Man Carmen, Mr. Tan Chuen Yan Paul and Mr. Shi Zhu. Mr. Wu Shurong is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes. The terms of reference of the Nomination Committee are available on the website of the Stock Exchange and the Company's website.

During the financial year ended 31st December 2024, the Nomination Committee held one meeting. The attendance of each member is set out as follows:

Name of Member	Number of attendance (Note)
Mr. Wu Shurong (appointed on 30th September 2024)	0/2
Mr. Wang Xiang (appointed on 30th September 2024)	0/2
Dr. Ng Lai Man Carmen (appointed on 30th September 2024)	0/2
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)	0/2
Mr. Shi Zhu	2/2
Mr. Zhang Zhaogang (resigned on 30th September 2024)	2/2
Ms. Chen Si (resigned on 30th September 2024)	2/2
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)	2/2
Dr. Lu Heng Henry (resigned on 30th September 2024)	2/2

Note: All Nomination Committee meetings in 2024 held before 30th September 2024. Therefore, zero attendance rate for those newly appointed Nomination Committee members on 30th September 2024.

The chairman of the Nomination Committee will report the findings and recommendations of the Nomination Committee to the Board after each meeting. The minutes of all meetings of Nomination Committee are circulated to the Board for information.

Board Committees *(Continued)*

(a) Nomination Committee *(Continued)*

The following was a summary of the work performed by the Nomination Committee in year 2024:

1. reviewed the Board's composition.

2. assessed the independence of all the independent non-executive Directors and reviewed the independent non-executive Directors' confirmations on their independence.

3. nominated Mr. Zhang Qi, Mr. Zhang Zhaogang and Dr. Lu Heng Henry, for the Board's recommendations to stand for election at the 2024 annual general meeting of the Company and reviewed the relevant sections in the circular to the shareholders of the Company.

4. reviewed the relevant disclosures made in the Directors' Report of the 2023 annual report of the Company (the "**Annual Report**").

5. Nominated (i) Mr. Wu Shurong to be appointed as an executive Director; (ii) Mr. Wang Xiang to be appointed as an executive Director; (iii) Mr. Liu Jun to be appointed as an executive Director; (iv) Mr. Li Baojian to be appointed as an executive Director; (v) Dr. Ng Lai Man Carmen to be appointed as an independent non-executive Director; and (vi) Mr. Tan Chuen Yan Paul to be appointed as an independent non-executive Director, all with effect from 30th September 2024.

   Nominated (i) Mr. Wu Shurong to be appointed to office as a member of the Remuneration Committee and the chairman of the Nomination Committee; (ii) Mr. Wang Xiang to be appointed to office as a member of the Nomination Committee; (iii) Mr. Liu Jun to be appointed to the office as a member of Remuneration Committee; (iv) Dr. Ng Lai Man Carmen to be appointed to office as the chairwoman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee; (v) Mr. Tan Chuen Yan Paul to be appointed to office as a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee, all with effect from 30th September 2024.

6. reviewed the Corporate Governance Report, which was included in the Annual Report.

7. reviewed the Group's compliance with the Code.

8. reviewed the Nomination Policy and the revised Board Diversity Policy of the Company (the "**Board Diversity Policy**").

9. considered those topics, which were requested by the Board and reviewed those relevant documents.

Board Committees *(Continued)*

(a) Nomination Committee *(Continued)*

Below is the summary of the Nomination Policy of the Company:

The Board has formalised the Company's existing approach and procedures and adopted a Director nomination policy effective since 1st January 2019. Below is a summary of the Nomination Policy of the Company:

Objective

1. This Policy aims to set out the major selection criteria and nomination procedures for the Nomination Committee of the Company to select and recommend candidates for directorship.

Selection Criteria

2. The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:–

   (a) The ability to assist and support management and make significant contributions to the Group's success;

   (b) Experience and reputation in the businesses of the Group and other relevant sectors;

   (c) Commitment in respect of sufficient time, the relevant interest and attention to the Group's business;

   (d) Reputation for integrity;

   (e) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director;

   (f) Diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional background, skills, knowledge and experience; and

   (g) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

3. The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles of Association of the Company and other applicable rules and regulations.

Nomination Procedures

4. If the Board determines that an additional or replacement Director is required, the Nomination Committee shall identify individuals suitably qualified to become Board members and make recommendations for the Board's consideration and approval. The Nomination Committee will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.

Board Committees *(Continued)*

(a) Nomination Committee *(Continued)*

Nomination Procedures (Continued)

5. Regarding the appointment of any proposed candidates to become Board members, the Nomination Committee shall undertake adequate due diligence in respect of each proposed candidate and make recommendations for the Board's consideration and approval.

6. Regarding the re-appointment of any existing members of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, the proposed candidates to stand for re-election at a general meeting.

7. Regarding the procedures for shareholders'nomination of any proposed candidate for election as a director, please refer to the "Procedures for a Member to Propose a Person for Election as a Director", which is available on the Company's website.

8. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

Review of this Policy

9. The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Below is the summary of the Board Diversity Policy and the achievement on the measurable objectives during the year under review:

The Board has adopted a board diversity policy on 27th March 2014 which was subsequently modified. The revised board diversify policy, among others, has set measurable objectives (in terms of gender, age, skills and experience) to implement the Board Diversity Policy with effective from 1st January 2019.

All board appointments will be based on meritocracy, and candidates will be considered based on objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, and experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will report annually on the Board's composition under diversified perspectives, and monitor the implementation of this policy. The minutes of all meetings of Nomination Committee are circulated to the Board for information. The Nomination Committee will discuss any policy's revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the financial year ended 31st December, 2024, the Nomination Committee reviewed the Board's composition in accordance with the Listing Rules, the Board Diversity Policy and the Nomination Policy and considered that the Board consists of a diverse mix of members and has provided a good balance of skills and experience appropriate to the business needs of the Group.

Board Committees *(Continued)*

(a) Nomination Committee *(Continued)*

Review of this Policy (Continued)

The Nomination Committee also reviewed the Nomination Policy and the Board Diversity Policy and considered such policies remain effective and appropriate for the Company. The Nomination Committee will discuss any revisions to the aforesaid policies that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee continues to monitor the implementation of the Board Diversity Policy by conducting review of the Board's composition at least annually.

During the financial year ended 31st December, 2024, one female director currently on the Board, bringing the female representation to 14.3% of the Board and 33.3% of the total number is of independent non-executive Directors. The Board targets to maintain at least the current level of female representation. The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitably qualified candidates for Board appointments.

The Company has taken measures to promote diversity at all levels of its workforce. Training and career development are equally opened to all eligible employees without discrimination. As at 31st December, 2024, the workforce of the Group's comprised 85.0% male and 15.0% female. For further information about the gender ratio in the workforce, please refers to the 2024 Environment, Social and Governance Report. As the members of the Board coincide with majority of the members of the senior management of the Group and the gender ratio of the Board has been disclosed, no disclosure about the gender ratio of the senior management could be made.

During the year under review, the Board has achieved the following measurable objectives:

1. at least one-third of the Board is composed of independent non-executive Directors;

2. at least one Director is a qualified accountant;

3. at least one Director has relevant experience in the sugar cane growing and sugar manufacturing industry;

4. at least one Director has relevant experience in law; and

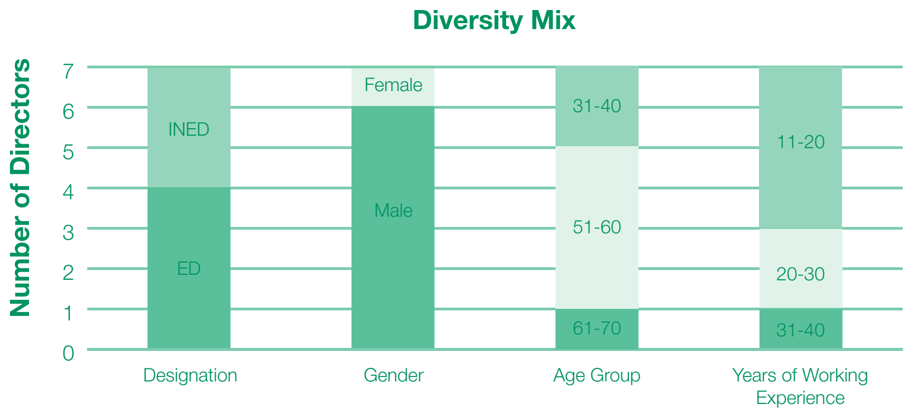
5. at least one Director has relevant experience in finance

Board Committees *(Continued)*

(a) Nomination Committee *(Continued)*

Review of this Policy (Continued)

As at 31st December, 2024, the analyses of the Board's composition based on the measurable objectives are set out below:



Remarks:
ED — executive Director
INED — independent non-executive Director

Board Committees *(Continued)*

(b) Remuneration Committee

A Remuneration Committee was established by the Company in 2005. As at the date of this report, the Remuneration Committee comprises two non-executive Directors of the Company, namely Mr. Wu Shurong and Mr. Liu Jun and three independent non-executive Directors of the Company, namely Dr. Ng Lai Man Carmen, Mr. Tan Chuen Yan Paul and Mr. Shi Zhu. Mr. Shi Zhu is the chairman of the Remuneration Committee.

The primary function of the Remuneration Committee is to make recommendations to the Board on the Group's policy and structure for all remuneration of Directors and senior management. The terms of reference of the Remuneration Committee are available on the website of the Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and the Company's website.

During the financial year ended 31st December 2024, the Remuneration Committee held one meeting.

The attendance of each member is set out as follows:

Name of Member	Number of attendance (Note)
Mr. Wu Shurong (appointed on 30th September 2024)	0/1
Mr. Wang Xiang (appointed on 30th September 2024)	0/1
Dr. Ng Lai Man Carmen (appointed on 30th September 2024)	0/1
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)	0/1
Mr. Shi Zhu	1/1
Mr. Zhang Zhaogang (resigned on 30th September 2024)	1/1
Ms. Chen Si (resigned on 30th September 2024)	1/1
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)	1/1
Dr. Lu Heng Henry (resigned on 30th September 2024)	1/1

Note: All Remuneration Committee meetings in 2024 held before 30th September 2024. Therefore, zero attendance rate for those newly appointed Remuneration Committee members on 30th September 2024.

The chairman of the Remuneration Committee will report the findings and recommendations of the Remuneration Committee to the Board after each meeting. The minutes of all meetings of Remuneration Committee are circulated to the Board for information.

Board Committees *(Continued)*

(b) Remuneration Committee *(Continued)*

The following was a summary of the work performed by the Remuneration Committee in year 2024:

1. reviewed and made recommendation to the Board on the remuneration package of a newly appointed executive Director and non-executive Directors.

2. reviewed the Group's emolument policy and structure for the remuneration of Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market statistics.

3. assessed the performance of the executive Directors and considered the remuneration package of executive Directors by reference to the prevailing packages with companies listed on the main Board of the Stock Exchange.

4. reviewed the relevant disclosures made in the Directors' Report of the Annual Report.

5. reviewed the Corporate Governance Report, which was included in the Annual Report.

6. reviewed the Group's compliance with the Code.

7. considered those topics, which were requested by the Board and reviewed those relevant documents.

8. No matters relating to the share option scheme adopted by the Company in 2007 were required to be approved or reviewed by the Remuneration Committee.

Details of the remuneration of each of the Directors of the Company are set out in note 13 to the consolidated financial statements. Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the member of the senior management by band for the year ended 31st December 2024 is set out below:

	Number of individuals
Nil to HK$1,000,000	1

Board Committees *(Continued)*

(c) Audit Committee

An Audit Committee was established by the Company in 1998. As at the date of this report, the Audit Committee comprises three independent non-executive Directors of the Company, Dr. Ng Lai Man Carmen, Mr. Tan Chuen Yan Paul, and Mr. Shi Zhu, one of whom possess recognised professional qualifications in accounting and have wide experience in auditing and accounting. Dr. Ng Lai Man Carmen is the chairman of the Audit Committee.

The primary function of the Audit Committee is to review and supervise the Group's financial reporting process and internal controls. The terms of reference of the Audit Committee are available on the website of the Stock Exchange and the Company's website.

During the financial year ended 31st December 2024, the Audit Committee held three meetings. The attendance of each member is set out as follows:

Name of Member	Number of attendance (Note)
Dr. Ng Lai Man Carmen (appointed on 30th September 2024)	0/4
Mr. Tan Chuen Yan Paul (appointed on 30th September 2024)	0/4
Mr. Shi Zhu	4/4
Mr. Cheng Tai Kwan Sunny (resigned on 30th September 2024)	4/4
Dr. Lu Heng Henry (resigned on 30th September 2024)	4/4

Note: All Audit Committee meeting in 2024 held before 30th September 2024. Therefore, zero attendance rate for those newly appointed Audit Committee members on 30th September 2024.

The chairman of the Audit Committee will report the findings and recommendations of the Audit Committee to the Board after each meeting. The minutes of all meetings of Audit Committee are circulated to the Board for information.

The following was a summary of the work performed by the Audit Committee in year 2024:

1. reviewed the Group's consolidated financial statements for the year ended 31st December 2023 and the annual results announcement with a recommendation to the Board for approval.

2. reviewed the relevant disclosures made in the Directors' Report of the Annual Report.

3. reviewed the Corporate Governance Report, which was included in the Annual Report.

4. reviewed the Environmental, Social and Governance Report, which was published on the websites of the Stock Exchange and the Company's website.

5. met with the external auditor without the presence of the executive directors of the Board.

Board Committees *(Continued)*

(c) Audit Committee *(Continued)*

6. reviewed the Group's consolidated financial statements for the six months ended 30th June 2024 and the interim results announcement with a recommendation to the Board for approval.

7. assessed broadly any special risks faced by the Group and reviewed the adequacy and effectiveness of the Company's internal control system and risk management system, financial reporting system and associated procedures.

8. reviewed the Group's policies and practices on corporate governance and made recommendations to the Board.

9. reviewed the findings and recommendations submitted by the Group Internal Audit Department.

10. reviewed the continuing connected transaction report.

11. made recommendation on the appointment or reappointment of the external auditor.

12. reviewed the reports including the 2024 audit planning report submitted by the external auditor.

13. considered the 2024 audit fees with a recommendation to the Board for approval.

At the Audit Committee meeting on 31st March 2025, the Audit Committee reviewed the Group's consolidated financial statements for the year ended 31st December 2024 and the annual results announcement with a recommendation to the Board for approval.

Directors' Responsibility for the Consolidated Financial Statements

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibility to prepare the consolidated financial statements that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern, the Board has prepared the consolidated financial statements on a going concern basis.

The responsibility of the external auditor, BDO Limited, is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion solely to the shareholders of Company, as a body, and for no other purpose.

The Company has announced its annual and interim results in a timely manner within approximately three months and two months, respectively, after the end of the relevant period in order to enhance high level of corporate transparency.

Risk Management and Internal Controls

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually with the assistance from the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions. To assist the Audit Committee to fulfill its responsibilities, the senior management has to identify, update and report the key risk areas which covered all aspects of corporate strategies, operation and finance to the Board.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. However, the systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The various departments of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to the directors of the Group at each regularly scheduled meeting throughout the year. The internal audit department of the Controlling Shareholders which controlled several listed companies in Hong Kong and the People's Republic of China is sharing this group resource to carry the internal audit function (the "**Group Internal Audit Department**"). The Group Internal Audit Department reviews significant aspects of risk management and internal control for the Group, reports to the Board and the Audit Committee at least annually, including amongst other things, significant risks of the Group and the appropriate mitigation of identified risks and the results of their activities during the preceding period pertaining to the adequacy and effectiveness of internal controls, including but not limited to, any indications of failings or material weaknesses in those controls. The annual work plan of Group Internal Audit Department covers major activities and processes of the Group's operations and businesses units. Special reviews are also performed at the Board' request. The results of these audit activities are communicated to the Board and the Audit Committee at least annually. Audit issues are tracked, followed up for proper implementation, and their progress are reported to the Board and the Audit Committee at least annually.

The Group Internal Audit Department provides independent advices to the Board, the Audit Committee and the executive management of the Group on the adequacy and effectiveness of internal controls for the Group. The Group Head of Internal Audit Department reports directly to the Chairman of the Audit Committee and the respective directors (as the case may be).

The senior management of the Group, supported by the Board, is responsible for the design, implementation and monitoring of the risk management and internal control systems, and for reporting to the Board and/or the Audit Committee on the effectiveness of these systems.

Risk Management and Internal Controls *(Continued)*

The following key processes are used to identify, evaluate and manage the Group's significant risks:

1. the Board establishes the scope and establishes the risk assessment criteria.

2. various departments identify the risks, which may potentially impact the achievement of their business objectives, analyze and evaluate the significance of such risks.

3. various departments assess the adequacy of existing controls, determine and implement plans where risks are mitigated.

4. various departments monitor those activities to mitigate the risks.

5. the Group Internal Audit Department tracks the progress of those activities to mitigate the risks and reports regularly to the Board and the Audit Committee.

The Company has adopted policies and procedures for assessing and improving the effectiveness of its risk management and internal control systems, including requiring the executive management of the Group to provide confirmation to the Board on the effectiveness of these systems annually.

The Group maintains a whistleblowing policy and the Board oversees a set of comprehensive procedures whereby employees, customers, suppliers and other concerned parties can report any actual or suspected occurrence of improper conduct involving the Company, and for such matters to be investigated and dealt with efficiently in an appropriate and transparent manner. The Board has designated the Audit Committee to receive on its behalf any such reports, to oversee the conduct of subsequent investigations, and to provide information, including recommendations arising from any investigations for consideration by the Board. All reported cases would be investigated in a fair and proper manner by the Audit Committee. The Audit Committee will classify the reported cases according to their natures and reports the cases directly to the Board. The investigation reports of the reported cases are sent to the Audit Committee on a regular basis for review.

The whistleblowing policy would be reviewed and updated periodically to align with industry best practice.

The Group's corporate culture is the key components of the Group's corporate governance framework. It provides the guiding principles for the employees to perform justifiably and behave with integrity, uprightness and honesty. It also puts all employees under stringent obligations as to the manner to which they should deal with the issues of bribery, conflicts of interest and compliance with the Group's policies and practices etc.

The Group has zero tolerance for corruption and related malpractice. The anti-corruption policy forms an integral part of the Group's corporate governance framework. Other relevant policies of the framework, including the whistleblowing policy and the code of conduct, outline the Group's aims and requirements of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices.

Risk Management and Internal Controls *(Continued)*

The Group does not only require all its employees to behave with integrity but also requests its suppliers and business partners to observe the same ethical standards. The Group also prohibits all its employees from taking advantages of their powers and authorities for personal interests. The Group treats the issues on bribery, extortion, fraud and money laundering very seriously and complies with the laws of the place where the business of the Group carries on, to report the issues to the relevant Government authorities. These demonstrate the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations of the place where the business of the Group carries on.

The anti-corruption policy would be reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

The Company strictly regulates the handling and dissemination of inside information to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

During the financial year ended 31st December, 2024, the Audit Committee assessed broadly any special risks faced by the Group and conducted a review on the effectiveness of the risk management and internal control systems of the Group. The heads of major departments were required to undertake self-assessments of their key controls. Internal Audit Department of Head Office will review their finding. The internal audit reporting and findings were assessed by the Audit Committee. The Audit Committee then reviewed these findings and reported the same to the Board. The Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

During year 2024, the Group Internal Audit Department conducted selective reviews on the effectiveness of the risk management and internal control systems over operational, financial and compliance controls of principal subsidiaries of the Group.

In addition to the review of risk management and internal controls undertaken within the Group, the external Auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external Auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

Auditor's Remuneration

For the financial year ended 31st December 2024, the fee paid/payable to the Group's auditor, BDO Limited, is set out as follows:

Services rendered	**Fee paid/payable** HK$'000
Audit services fee for 2024 annual report	640
Non-audit services	
– Agreed-upon procedures on preliminary announcement of results	10
Total	650

Company Secretary

All Directors have access to the advice and services of the company secretary, Mr. Wan Hok Shing. The company secretary reports to the Chairman on Board governance matters, and is responsible for ensuring that Board procedures are followed, and for facilitating communications among Directors as well as with shareholders and management.

The company secretary's biography is set out in the section "Profile of Directors and Senior Management" of this Annual Report. In compliance with Rule 3.29 of the Listing Rules, Mr. Wan Hok Shing has undertaken no less than 15 hours of relevant professional training during the year ended 31st December 2024.

Dividend Policy

The Board has adopted a dividend policy effective since 1st January 2019. This policy aims to set out guidelines for the Board to determine whether dividends are to be declared and paid, and the level of dividend to be paid to the shareholders of the Company.

The Company intends to retain all available funds and earnings, if any, to finance the development and expansion of its business.

Any future determination for the declaration or recommendation of dividends will be made at the absolute discretion of the Board. In proposing any dividend payout, the Board should also take into account, inter alia, the following factors:–

1. the strategies, business cycle, operations, earnings, financial condition, cash requirements and availability as well as capital expenditure and future development requirements of the Company and its subsidiaries (the "**Group**");

2. the possible effects of the Group's credit-worthiness, the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group's lenders;

3. the interests of the Shareholders, the dividend receivable/received by the Company from its subsidiaries and the taxation consideration;

4. any restrictions under all applicable laws (including the Companies Law of the Cayman Islands), rules, codes and regulations, the accounting policies and financial reporting standards that the Group has adopted as well as the articles of association of the Company (the "**Articles of Association**"); and

5. Any other factors that the Board deems appropriate.

Dividend Policy *(Continued)*

The Company will review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy from time to time.

Shareholders' Rights

(a) Convening an Extraordinary General Meeting

Pursuant to article 72 of Articles of Association of the Company, any one or more Shareholders 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 has the right, by written requisition specifying the objects of the meeting and signed by the requisitionists to the Company's principal place of business in Hong Kong at 18/F, Yue Thai Commercial Building, 128 Connaught Road Central, Sheung Wan, Hong Kong to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

(b) Putting Forward Proposals at General Meeting

There are no provisions under the Company's articles of association 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.

(c) Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the Company's principal place of business in Hong Kong at 18/F, Yue Thai Commercial Building, 128 Connaught Road Central, Sheung Wan, Hong Kong.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

Communication with Shareholders

The aim of the Shareholders Communication Policy of the Company (the "**Shareholders Communication Policy**") is to provide the shareholders of the Company and, in appropriate circumstances, the investment community at large with ready, equal and timely access to balanced and understandable information about the Company, in order to enable them to make informed assessments of the Company, and to allow shareholders of the Company and the investment community to engage actively with the Company.

The Shareholders Communication Policy sets out various communication channels for the shareholders of the Company to communicate their views on various matters affecting the Company, as well as steps taken to solicit and understand the views of the shareholders of the Company and the stakeholders.

Communication with Shareholders *(Continued)*

Information shall be communicated to the shareholders of the Company and the investment community mainly through the Company's announcements, results announcements, annual and interim reports, annual general meetings and other general meetings that may be convened as well as all the disclosures submitted to the Stock Exchange to be made available on the website of the Stock Exchange and the Company's website which provides an effective communication platform to the public and the shareholders of the Company.

The annual general meeting enables the shareholders of the Company to exchange views with the Board. A notice of annual general meeting is sent to the shareholders of the Company at least 20 clear business days before the meeting. The chairman of the Audit Committee have attended at the annual general meeting to be available to answer the questions of the shareholders of the Company.

Separate resolutions are proposed at the annual general meeting on each substantially separate issue, including the election of individual director.

The chairman of the Board invites the company secretary of the Company to give an explanation of the detailed procedures for conducting a poll at the commencement of the annual general meeting. The company secretary of the Company answers any questions from the shareholders of the Company regarding voting by way of a poll.

During the financial year ended 31st December 2024, having reviewed the implementation and effectiveness of the Shareholders Communication Policy, the Company considered that the Shareholders Communication Policy continues to contribute an effective communication between the Company and the shareholders of the Company.

Investor Relations

Constitutional Documents

There was no change to the Company's constitutional documents in 2024.

Hong Kong, 31st March 2025

Independent Auditor's Report

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED
(incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Hua Lien International (Holding) Company Limited (the "**Company**") and its subsidiaries (hereafter referred to as the "**Group**") set out on pages 51 to 99, which comprise the consolidated statement of financial position as at 31 December 2024, and 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.

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 ("**HKSAs**") 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.

Material Uncertainty Related to Going Concern

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of HK$41,410,000 for the year ended 31 December 2024 and, as of that date, the Group had net current liabilities and net liabilities of HK$1,107,936,000 and HK$1,126,753,000 respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of biological assets

Refer to note 20 to the consolidated financial statements and the accounting policies on note 4(f).

As at 31 December 2024, biological assets, which represented by growing cane, of the Group amounted to HK$15,849,000. Loss on changes in fair value of biological assets of HK$12,125,000 was recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

The determination of valuation of biological assets is identified as key audit matter due to key source of estimation uncertainty and the significant assumptions and judgements involved in the valuation. The valuation technique used is the discounted cash flow method under income approach which require the use of assumptions and estimates on market prices of sugar cane, cane yield, harvesting costs, percentage of maturity of sugar cane from planting to the valuation date, etc. Such judgement and estimates will impact the valuation of biological assets.

Our procedures in relation to the valuation of biological assets included:

– obtained an understanding of management's assessment process of the valuation of biological assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud;

– assessed and challenged the reasonableness of underlying assumptions and estimates such as market prices of sugar cane, cane yield, harvesting costs, percentage of maturity of sugar cane from planting to the valuation date adopted by management and independent professional valuer engaged by management;

– involved auditor's expert, an independent professional valuer, to assess the appropriateness of the valuation basis, methodology used and underlying assumptions and estimates adopted by management;

– checked the mathematical accuracy of the calculation of the valuation of biological assets; and

– evaluated the competence, capabilities and objectivity of the independent professional valuer engaged by management and the auditor's expert.

Other Information in the Annual Report

The directors are responsible for the other information. The other information comprises the information included in the Company's 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.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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 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.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

- 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 group 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 the Audit Committee 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 the Audit Committee 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 and safeguards applied.

From the matters communicated with the directors, 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.

BDO Limited
Certified Public Accountants
Tsui Ka Che, Norman
Practising Certificate Number: P05057

Hong Kong, 31 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$000
Revenue	8	**147,289**	142,298
Cost of sales		**(106,532)**	(120,703)
Gross profit		**40,757**	21,595
Change in fair value of biological assets	20	**(12,125)**	(21,129)
Other income, net	9	**4,525**	4,865
Administrative expenses		**(35,074)**	(27,483)
Other operating expenses, net	10	**(2,912)**	(1,482)
Finance costs	11	**(36,581)**	(34,633)
Loss before income tax	12	**(41,410)**	(58,267)
Income tax expense	15	**–**	–
Loss for the year		**(41,410)**	(58,267)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**16,718**	9,338
Total comprehensive loss for the year		**(24,692)**	(48,929)
Loss for the year attributable to:			
Owners of the Company		**(32,180)**	(41,212)
Non-controlling interests		**(9,230)**	(17,055)
		(41,410)	(58,267)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(18,348)**	(35,551)
Non-controlling interests		**(6,344)**	(13,378)
		(24,692)	(48,929)
Loss per share	17	**HK Cents**	HK Cents
– Basic		**(1.47)**	(1.88)
– Diluted		**(1.47)**	(1.88)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$000
Non-current assets			
Property, plant and equipment	18	**5,210**	5,771
Intangible asset	19	**–**	–
Right-of-use asset	29	**–**	–
Total non-current assets		**5,210**	5,771
Current assets			
Biological assets – growing cane	20	**15,849**	17,606
Inventories	21	**11,223**	22,394
Trade and other receivables	22	**3,776**	2,836
Bank balances, deposits and cash	23	**29,717**	37,464
Total current assets		**60,565**	80,300
Total assets		**65,775**	86,071
Current liabilities			
Trade and other payables	24	**533,886**	547,345
Contract liabilities	25	**2,003**	10,529
Lease liabilities	29	**1,344**	1,457
Amount due to non-controlling interests	27	**631,268**	604,559
Total current liabilities		**1,168,501**	1,163,890
Net current liabilities		**(1,107,936)**	(1,083,590)
Total assets less current liabilities		**(1,102,726)**	(1,077,819)
Non-current liability			
Lease liabilities	29	**24,027**	24,242
NET LIABILITIES		**(1,126,753)**	(1,102,061)
Capital and reserves			
Share capital	28	**219,118**	219,118
Reserves	28	**(1,127,725)**	(1,109,377)
Capital deficiency		**(908,607)**	(890,259)
Non-controlling interests		**(218,146)**	(211,802)
TOTAL CAPITAL DEFICIENCY		**(1,126,753)**	(1,102,061)

On behalf of the directors

Wu Shurong
Director

Liu Jun
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company (note 28)							
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Special reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2023	219,118	708,392	(12,357)	(25,391)	(1,744,470)	(854,708)	(198,424)	(1,053,132)
Loss for the year	–	–	–	–	(41,212)	(41,212)	(17,055)	(58,267)
Other comprehensive income for the year – Exchange difference on translating foreign operation	–	–	5,661	–	–	5,661	3,677	9,338
Total comprehensive loss for the year	–	–	5,661	–	(41,212)	(35,551)	(13,378)	(48,929)
At 31 December 2023	219,118	708,392	(6,696)	(25,391)	(1,785,682)	(890,259)	(211,802)	(1,102,061)
At 1 January 2024	**219,118**	**708,392**	**(6,696)**	**(25,391)**	**(1,785,682)**	**(890,259)**	**(211,802)**	**(1,102,061)**
Loss for the year	**–**	**–**	**–**	**–**	**(32,180)**	**(32,180)**	**(9,230)**	**(41,410)**
Other comprehensive income for the year – Exchange difference on translating foreign operation	**–**	**–**	**13,832**	**–**	**–**	**13,832**	**2,886**	**16,718**
Total comprehensive loss for the year	**–**	**–**	**13,832**	**–**	**(32,180)**	**(18,348)**	**(6,344)**	**(24,692)**
At 31 December 2024	**219,118**	**708,392**	**7,136**	**(25,391)**	**(1,817,862)**	**(908,607)**	**(218,146)**	**(1,126,753)**

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$000
Cash flow from operating activities		
Loss before income tax	**(41,410)**	(58,267)
Adjustments for:		
Depreciation	**2,503**	1,276
Change in fair value of biological assets	**12,125**	21,129
(Reversal of expect credit losses)/expected credit losses on trade receivables	**(2,652)**	303
Impairment loss on property, plant and equipment	**1,896**	1,179
Write-down of inventories	**3,668**	–
Loss on disposal of property, plant and equipment	**302**	282
Interest income	**(200)**	(220)
Finance costs	**36,581**	34,633
Operating profit before working capital changes	**12,813**	315
Increase in biological assets	**(10,645)**	(21,074)
Decrease in inventories	**7,150**	11,486
Decrease in trade and other receivables	**1,662**	1,611
(Decrease)/increase in trade and other payables	**(13,167)**	3,377
(Decrease)/increase in contract liabilities	**(8,360)**	10,155
Net cash (used in)/generated from operating activities	**(10,547)**	5,870
Cash flow from investing activities		
Acquisition of property, plant and equipment	**(4,231)**	(2,252)
Interest received	**200**	220
Net cash used in investing activities	**(4,031)**	(2,032)
Cash flow from financing activities (note 26)		
Repayment of other payables	**–**	(7,790)
Advance from non-controlling interests	**8,398**	–
Payment of lease liabilities	**(2,090)**	(2,105)
Net cash generated from/(used in) financing activities	**6,308**	(9,895)
Net decrease in cash and cash equivalents	**(8,270)**	(6,057)
Cash and cash equivalents at beginning of year	**37,464**	44,734
Effect of exchange rate changes on cash and cash equivalents	**523**	(1,213)
Cash and cash equivalents at end of year	**29,717**	37,464
CASH AND CASH EQUIVALENTS REPRESENT:		
Bank balances and cash	**29,714**	37,145
Short-term fixed deposits maturing within three months	**3**	319
	29,717	37,464

1. Corporate Information

Hua Lien International (Holding) Company Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and principal place of business of the company are disclosed in the "Corporate information" section to the Annual Report.

Upon the completion of (i) the sale and purchase agreement on 28 May 2024; and (ii) the equity transfer agreement on 12 June 2024 between Guang Dong Agribusiness Group Corporation ("**Guangken**") (as the transferee) and China National Complete Plant Import & Export Group Corporation Limited ("**China Complant**") (as the transferor), approximately 36.51% of the equity interest in the Company (i.e. 800,000,000 shares) and 70% of the equity interest of Guangken Sugar Industry International Co., Ltd. ("**Guangken Sugar**" and formerly known as COMPLANT International Sugar Industry Co., Ltd.) are transferred to Guangken. Guangken and parties acting in concert with it were interested in an aggregate of 1,100,000,000 Shares, representing approximately 50.20% of the issued share capital of the Company.

Following the completion of the mandatory general offer on 23 August 2024, Guangken and parties acting in concert with it hold an aggregate of 1,369,988,785 Shares, representing approximately 62.52% of the issued share capital of the Company.

The directors consider its immediate holding company and ultimate holding company is Guangken which is incorporated in the People's Republic of China (the "**PRC**") and is a whole people-owned enterprise (全民所有制企業) directly wholly-owned by the Ministry of Agriculture and Rural Affairs.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in provision of supporting services to sweetener business, cultivation of sugar cane, manufacturing and sales of sugar and molasses and ethanol biofuel business.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs")

(a) Adoption of new or amended HKFRSs – effective on 1 January 2024

The following new or amended HKFRSs are mandatory for the first time for the financial year beginning 1 January 2024 and the impacts of the adoption are disclosed below.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amended HKFRSs effective on 1 January 2024 has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that are not yet effective for the current accounting period.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs")

(Continued)

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements[3]
Hong Kong Interpretation 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause[3]
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] A date to be determined.

The directors of the Company do not anticipate that the applications of the amendments and revision in the future will have significant impacts on the financial statements.

3. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. Basis of Preparation *(Continued)*

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared on a going concern basis even though the Group incurred a net loss of HK$41,410,000 for the year ended 31 December 2024, and as of that date, the Group had net current liabilities and net liabilities of HK$1,107,936,000 and HK$1,126,753,000 respectively. These conditions may cast significant doubt about the Group's ability to continue as a going concern.

In view of these circumstances and for the purpose of assessing the appropriateness of the use of the going concern basis in the preparation of the consolidated financial statements, the directors have prepared a cash flow forecast ("**Forecast**") covering a period of 12 months from the date of approval of these consolidated financial statements for issue. In preparing the Forecast, careful considerations are given to the future liquidity and performance of the Group and its available sources of finance and also the following measures:

- The substantial shareholder of the Company, Guangken Sugar, which is also a fellow subsidiary of the Company, had granted an irrevocable supplemental undertaking (the "**Supplemental Undertaking**") on 22 December 2023 in favour of the Company. Pursuant to the Supplemental Undertaking, conditional upon the entering into of an agreement for a formal repayment plan, Guangken Sugar will not demand repayment of or performance of obligations under the amount payable on demand of HK$518,099,000 (note 24) until 31 December 2025 (the "**Extended Period**");

- Guangken Sugar has undertaken to provide continuing financial support and will not recall any of the amount due to it until the Group is able to pay its other creditors in the normal course of business, in order to maintain the Group as a going concern;

- The Company will take the Extended Period to develop its existing business and improve the overall performance of the Group. It is the Company's intention that with better performance, it will look for loan restructuring plans that are in more favourable terms to the Company. and will try to find new investors to improve the existing equity structure of the Group and to obtain new funds or financing to repay part of the indebtedness of the Group.

Assuming the successful implementation of the above measures, the directors were of the opinion that the Group would have sufficient financial resources to finance the operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis notwithstanding that a material uncertainty exists related to the above conditions that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their net realisable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. Basis of Preparation *(Continued)*

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company and all amounts are rounded to the nearest thousand ("**HK$'000**") except otherwise indicated.

4. Material Accounting Policies Information

(a) Business combinations and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

(b) Subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Freehold land is not depreciated. The useful lives are as follows:

Buildings	20 years
Furniture and equipment	4 to 10 years
Computers	4 years
Plant and machinery	10 years
Motor vehicles	4 years
Bearer plants	3 to 7 years

4. Material Accounting Policies Information *(Continued)*

(c) Property, plant and equipment *(Continued)*

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalization of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

(d) Leasing

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

(i) Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group accounts for leasehold land that are held for own use under HKAS 16 are carried at cost less accumulated depreciation and impairment losses.

4. Material Accounting Policies Information *(Continued)*

(d) Leasing *(Continued)*

(ii) Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(e) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. Material Accounting Policies Information *(Continued)*

(e) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expect credit losses ("**ECLs**") on trade receivables of lifetime ECLs, that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amount due to non-controlling interests and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. Material Accounting Policies Information *(Continued)*

(e) Financial instruments *(Continued)*

(iv) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(f) Biological assets

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets into agricultural produce for sale or into additional biological assets. Biological assets are measured at fair value less costs to sell at initial recognition and at the end of each reporting period while agricultural produce are measured at fair value less costs to sell at the point of harvest, which is deemed as the cost at that date when the agricultural produce becomes inventory or additional biological assets.

Growing cane, which are valued at fair value based on estimated sucrose content, age and market price, less estimated harvesting costs.

If an active market exists for a biological asset or agricultural produce with reference to comparable species, growing condition and expected yield of the crops, the quoted price in that market is adopted for determining the fair value of that asset. If an active market does not exist, the Group uses the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the transaction date and the end of reporting period, or the market prices for similar assets adjusted to reflect differences to determine fair values or as determined by independent professional valuers. The gain or loss arising on initial recognition and subsequent changes in fair values less costs to sell of biological assets is recognised in profit or loss in the period in which it arises.

Growing cane is accounted for as biological assets. Biological assets are stated at fair value with any resultant gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income.

4. Material Accounting Policies Information *(Continued)*

(g) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first out method. Net realisable value represents the estimated selling price in the ordinary course of business. The Group performs impairment assessment on consumables and components included in inventories in accordance with note 4(j).

(h) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

– provides all of the benefits received and consumed simultaneously by the customer;

– creates or enhances an asset that the customer controls as the Group performs; or

– does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sales of goods, including sugar, molasses, consumable chemicals and fertiliser

Customers obtain control of the goods when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the goods. There is generally only one performance obligation.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. Material Accounting Policies Information *(Continued)*

(i) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(j) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment under cost model;

– intangible asset;

– interests in leasehold land held for own use under operating leases;

– investments in subsidiaries; and

– consumables and components included in inventories

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(c)), 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 cash generating unit.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 4, management is 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 ongoing 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.

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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Fair values of biological assets

The biological asset included in the Group's consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);
Level 2: Observable direct or indirect inputs other than Level 1 inputs;
Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the biological assets at their fair value. The directors of the Company use their judgements and estimates in determining the fair value of biological assets, growing cane. The fair values are determined using income approach based on assumptions including the estimated market prices of sugar cane and estimated cane yields, etc. At 31 December 2024, the fair value of the biological assets has been determined by independent valuation firm. The carrying amount of biological assets as at 31 December 2024 is HK$15,849,000 (2023: HK$17,606,000). Details of the assumptions used are disclosed in note 20.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty

(b) Estimated impairment losses on trade receivables

As disclosed in notes 7(b) and 22, the measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment if a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(c) Impairment loss on property, plant and equipment

At the end of the reporting period, the directors of the Company review the carrying amounts of its property, plant and equipment with finite useful lives and identified if there is indication that those assets may suffer an impairment loss. If impairment indicators are identified, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amounts of the assets require the use of assumptions such as cash flow projections and discount rates to calculate the discounted present value of the future cash flows expected to arise from the continuing use of the property, plant and equipment and intangible asset and from its disposal at the end of its useful life.

As at 31 December 2024, the carrying amount of property, plant and equipment was HK$5,210,000 (2023: HK$5,771,000).

(d) Going concern assumption

As explained in note 3(b), the consolidated financial statements have been prepared on a going concern basis even though the Group incurred a net loss of HK$41,410,000 for the year ended 31 December 2024 and as of 31 December 2024, the Group had net current liabilities and net liabilities of HK$1,107,936,000 and HK$1,126,753,000 respectively. In view of these circumstances, the directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures as stated in note 3(b) have been and are being taken to manage the Group's liquidity and to improve its financial position.

Should the Group be unable to continue as a going concern, adjustment would have to be made to restate the value of assets to their realisable amounts, to provide for further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of those potential adjustments has not been reflected in the consolidated financial statements.

6. Capital Risk Management

The Group's objectives of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to owners of the Company, return capital to owners of the Company, issue new shares or sell assets to reduce debt.

During the year, the Group's strategy remained unchanged. The Group monitors capital risk on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

The management considers the gearing ratio at the end of each reporting period was as follows:

	2024 **HK$'000**	2023 HK$'000
Total borrowings	**1,174,738**	1,148,357
Total capital deficiency	**(908,607)**	(890,259)
Total borrowings to total equity ratio	**N/A**	N/A

Total borrowings include other payable (note 24), amount due to non-controlling interests (note 27) and lease liabilities (note 29).

There was capital deficiency of HK$908,607,000 as at 31 December 2024, calculation of gearing ratio as at 31 December 2024 was inappropriate.

7. Financial Risk Management

(a) Categories of financial instruments

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2024 and 2023 were categorised as follows:

	2024 **HK$'000**	2023 HK$'000
Financial assets		
At amortised cost (including bank balances, deposits and cash)	**31,018**	39,629
Financial liabilities		
At amortised cost	**1,165,154**	1,151,904
Lease liabilities	**25,371**	25,699

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances, deposits and cash, trade and other payables, lease liabilities and amount due to non-controlling interests. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

7. Financial Risk Management *(Continued)*

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

Market risk

Foreign currency risk

The transactions of the Group's principal subsidiaries are denominated and settled in its respective functional currency. However, there are certain monetary assets and monetary liabilities denominated in foreign currencies in respect of the relevant group entities. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, which are considered as significant by the management, at the end of the reporting period are as follows:

	2024 **HK$'000**	2023 HK$'000
Monetary assets		
United States Dollar ("**USD**")	**5,404**	5,414
Monetary liabilities		
USD	**656,639**	630,258

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2023: 10%) increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currency monetary assets and liabilities. 10% (2023: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% (2023: 10%) change in foreign currency rates. A positive number below indicates an decrease in post-tax loss for the year where the functional currency of the relevant group entity strengthen 10% (2023: 10%) against the relevant foreign currency. For a 10% (2023: 10%) weakening of the functional currency of the relevant group entity against the relevant foreign currency, there would be an equal and opposite impact on pre-tax loss for the year.

	Impact on profit or loss	
	2024 **HK$'000**	2023 HK$'000
USD	**65,123**	62,485

The above impacts are mainly attributable to the exposure outstanding on receivables, payables, amount due to non-controlling interest and bank balances in the respective foreign currency at year end.

7. Financial Risk Management *(Continued)*

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

Market risk (Continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and amount due to non-controlling interest. Details of the bank balances and amount due to non-controlling interests are disclosed in notes 23 and 27, respectively.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Sensitivity analysis

It is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease (2023: increase/decrease) the Group's loss after tax and accumulated losses by approximately HK$4,210,000 (2023: HK$3,139,000) for the year. This is mainly attributable to the Group's exposure to interest rates on bank balances and amount due to non-controlling interests.

The sensitivity analysis above has been determined based on the exposure to interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 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 a reasonably possible change in interest rates. The analysis is performed on the same basis for the year ended 31 December 2024.

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of customers. Trade receivables are due within 30 days and 60 days from the date of billing for sales of sugar and molasses respectively. Debtors with balances that are more than 12 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

7. Financial Risk Management *(Continued)*

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

Credit risk (Continued)

The Group has concentration of credit risk on trade receivables as 98% (2023: 95%) of the trade receivables net of impairment loss was due from the Group's five largest trade receivables. As at 31 December 2024, there was HK$38,000 (2023: HK$1,313,000) due from the Group's largest customer. The Group's concentration of credit risk by geographical locations is in Jamaica (2023: Jamaica), which accounted for 100% (2023: 100%) of the total trade receivables as at 31 December 2024.

In respect of deposits with banks, the Group mitigates its exposure to credit risk by placing deposits with financial institutions with high credit rating.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customers, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at the end of the reporting period:

	Weighted average lifetime ECLs rate %	Gross carrying amounts HK$'000	Lifetime ECLs HK$'000	Net carrying amounts HK$'000
At 31 December 2024				
Current (not past due)	**0%***	**3**	**–**	**3**
1 – 90 days past due	**0%***	**3**	**–**	**3**
181 – 365 days past due	**0%***	**71**	**–**	**71**
		77	**–**	**77**
Individual assessment	**100.0%**	**42,800**	**(42,800)**	**–**
		42,877	**(42,800)**	**77**

7. Financial Risk Management *(Continued)*

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

Credit risk (Continued)

	Weighted average lifetime ECLs rate %	Gross carrying amounts HK$'000	Lifetime ECLs HK$'000	Net carrying amounts HK$'000
At 31 December 2023				
Current (not past due)	0%*	752	–	752
1 – 90 days past due	0%*	252	–	252
91 – 180 days past due	0%*	34	–	34
Over 1 year past due	0%*	346	–	346
		1,384	–	1,384
Individual assessment	100.0%	46,051	(46,051)	–
		47,435	(46,051)	1,384

* The ECLs rates for trade receivables that are categorised as not past due, 1 – 90 days past due, 91 – 180 days past due and 181 – 365 days past due and 1 – 2 years past due are assessed to be 1.1% (2023: 0.6%), 1.2% (2023: 0.8%), 10.6% (2023: 8.8%), 31.1% (2023: 27.8%) and 61.1% (2023: 60.6%) respectively. The ECLs rates are reviewed, and adjusted if appropriate, at the end of each reporting period. Based on evaluation on ECLs rates and the carrying amount of trade receivables, the directors of the Company are of the opinion that the ECLs in respect of trade receivables are considered as immaterial.

ECLs rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the management's view of economic conditions over the expected lives of the trade receivables.

Movement in the loss allowances in respect of trade receivables during the year was as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	**46,051**	45,637
Impairment loss for the year	**341**	303
Reversal of impairment loss	**(2,993)**	–
Write-off during the year	**(298)**	–
Exchange realignment	**(301)**	111
At end of the year	**42,800**	46,051

7. Financial Risk Management *(Continued)*

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

Liquidity risk

In the management of the liquidity risk, the Group regularly monitors its liquidity requirements and its compliance with lending covenants and ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	Less than 1 year or on demand HK$'000	Between 1 to 2 years HK$'000	Between 2 to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2024						
Trade and other payables	**533,886**	**–**	**–**	**–**	**533,886**	**533,886**
Lease liabilities	**2,090**	**2,090**	**6,269**	**64,537**	**74,986**	**25,371**
Amount due to non-controlling interests	**654,002**	**–**	**–**	**–**	**654,002**	**631,268**
	1,189,978	**2,090**	**6,269**	**64,537**	**1,262,874**	**1,190,525**
At 31 December 2023						
Trade and other payables	547,345	–	–	–	547,345	547,345
Lease liabilities	2,105	2,105	6,315	68,433	78,958	25,699
Amount due to non-controlling interests	624,343	–	–	–	624,343	604,559
	1,173,793	2,105	6,315	68,434	1,250,646	1,177,603

7. Financial Risk Management *(Continued)*

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

Environmental and climate change risk

The Group's sugar business depends significantly on the ability to harvest sugar cane in the concession. The ability to harvest sugar cane and the growth of the sugar cane in the plantations may be affected by unfavourable local weather conditions and natural disasters. Weather conditions such as drought, flooding, disease outbreaks, cyclones and windstorms are examples of such events. The occurrence of severe weather conditions or natural disasters may diminish the supply of sugar cane available for harvesting in the concession, or otherwise impede the Group's harvesting operation or the growth of the sugar cane in the plantation, which in turn may have a material adverse effect on the Group's ability to produce the products in sufficient quantities and in a timely manner.

The Group has strong environmental policies and procedures in place to comply with environmental laws.

The seasonal nature of the sugar business requires a high level of cash flows at different times of the year. The Group actively manages its working capital requirements with the financial support from Guangken Sugar to meet its cash flow requirements.

(c) Fair values

(i) Fair values of financial instruments carried at amortised cost

In respect of bank balances, deposits and cash, trade and other receivables and trade and other payables, the carrying amounts approximate their fair value due to the relatively short-term nature of these financial instruments.

The aggregate carrying amounts of other financial liabilities carried on the consolidated statement of financial position are not materially different from their fair values as at 31 December 2024.

(ii) Determination of the fair values of financial assets and financial liabilities

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

8. Turnover and Segment Information

Turnover represents revenue arising from sale of goods, which is recognised at a point in time.

The Group's reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods and services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

– Supporting services to customers in sweetener business (the "**Supporting services**");

– Cultivation of sugar cane, manufacturing and sales of sugar and molasses (the "**Sugar business**"); and

– Ethanol biofuel business (the "**Ethanol business**").

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments.

	Supporting services HK$'000	Sugar business HK$'000	Ethanol business HK$'000	Total HK$'000
Year ended 31 December 2024				
Segment revenue from contracts with customers:				
Segment revenue	–	147,289	–	147,289
Inter-segment sales	–	–	–	–
Segment revenue	–	147,289	–	147,289
Segment results	160	(28,146)	(1,794)	(29,780)
Unallocated corporate expenses, net				(11,630)
Loss before income tax				(41,410)
At 31 December 2024				
Assets and liabilities				
Segment assets	10,008	48,751	343	59,102
Corporate and other unallocated assets				6,673
Total assets				65,775
Segment liabilities	9,072	664,167	–	673,239
Corporate and other unallocated liabilities				519,289
Total liabilities				1,192,528

8. Turnover and Segment Information *(Continued)*

	Supporting services HK$'000	Sugar business HK$'000	Ethanol business HK$'000	Total HK$'000
Year ended 31 December 2023				
Segment revenue from contracts with customers:				
Segment revenue	–	142,298	–	142,298
Inter-segment sales	–	–	–	–
Segment revenue	–	142,298	–	142,298
Segment results	758	(57,923)	1,053	(56,112)
Unallocated corporate expenses, net				(2,155)
Loss before income tax				(58,267)
At 31 December 2023				
Assets and liabilities				
Segment assets	7,210	63,748	5,940	76,898
Corporate and other unallocated assets				9,173
Total assets				86,071
Segment liabilities	9,072	659,333	–	668,405
Corporate and other unallocated liabilities				519,727
Total liabilities				1,188,132

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment results represents the result of each segment without allocation of central administration expenses, directors' remuneration, interest income and finance costs. This is the measure reported to the chief executive officer with respect to the resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments:

– All assets are allocated to operating segment, other than certain bank balances and cash of head office.

– All liabilities are allocated to operating segments, other than other payables and accrued liabilities of head office.

8. Turnover and Segment Information *(Continued)*

Other reportable segment information

	Supporting services HK$'000	Sugar business HK$'000	Ethanol business HK$'000	Total HK$'000
Year ended 31 December 2024				
Amounts included in the measure of segment result for segment assets:				
Additions to property, plant and equipment	**–**	**4,231**	**–**	**4,231**
Depreciation	**–**	**2,503**	**–**	**2,503**
Expected credit losses/(reversal of expected credit losses) on trade receivables	**(2,993)**	**341**	**–**	**(2,652)**
Impairment loss on property, plant and equipment	**–**	**1,896**	**–**	**1,896**
Write-down of inventories	**–**	**3,668**	**–**	**3,668**
Year ended 31 December 2023				
Amounts included in the measure of segment result for segment assets				
Additions to property, plant and equipment	–	2,252	–	2,252
Depreciation	2	1,274	–	1,276
Expected credit losses on trade receivables	–	303	–	303
Impairment loss on property, plant and equipment	–	1,179	–	1,179

Geographic Information

Revenue from external customers

	2024 HK$'000	2023 HK$'000
Jamaica	**147,289**	142,298

The revenue information from operations above is based on the location of the customers.

Non-current assets

	2024 HK$'000	2023 HK$'000
Jamaica	**5,203**	5,764
The PRC	**7**	7
	5,210	5,771

The non-current assets information is based on the location of assets.

8. Turnover and Segment Information *(Continued)*

Information about major customers

The Group has identified two customers (2023: two) which individually represented over 10% of the Group's total external sales.

The sales to the major customers during the years are as follows:

	2024 HK$'000	2023 HK$'000
Company A[1]	**104,553**	106,885
Company B[1]	**17,953**	14,852

Note

1 Revenue from Sugar business segment

9. Other Income, Net

	2024 HK$'000	2023 HK$'000
Interest income	**200**	220
Rental income	**616**	546
Sundry income	**4,011**	4,381
Loss on disposal of property, plant and equipment	**(302)**	(282)
	4,525	4,865

10. Other Operating Expenses, Net

	2024 HK$'000	2023 HK$'000
(Reversal of expected credit losses)/expected credit losses on trade receivables	**(2,652)**	303
Impairment loss on property, plant and equipment	**1,896**	1,179
Write-down of inventories	**3,668**	–
	2,912	1,482

11. Finance Costs

	2024 HK$'000	2023 HK$'000
Interest on amount due to non-controlling interests	**22,761**	19,677
Interest on lease liabilities	**1,956**	1,965
Exchange loss	**11,864**	12,991
	36,581	34,633

12. Loss Before Income Tax

The Group's loss before income tax has been arrived at after charging:

	2024 HK$'000	2023 HK$'000
Staff costs, including directors' remuneration (note 13):		
Directors' remuneration	**240**	240
Retirement benefits scheme contributions	**18**	18
Other staff costs*	**52,637**	47,329
	52,895	47,587
Cost of inventories sold*	**106,532**	120,703
Auditors' remuneration		
– Audit services	**640**	640
– Non-audit services	**10**	10
Depreciation of property, plant and equipment	**2,503**	1,276
Short-term leases expenses	**567**	650
Loss on disposal of property, plant and equipment	**302**	282

* Cost of inventories sold included HK$41,748,000 (2023: HK$37,855,000) relating to personnel expenses. The amount was also included in the other staff costs disclosed separately above.

13. Directors' and Chief Executive's Remuneration

The remuneration paid or payable to each of the seven (2023: eight) directors of the Group were as follows:

For the year ended 31 December 2024

	Director's fee HK$'000	Basic salaries and allowances HK$'000	Performance bonus HK$'000	Retirement benefit scheme contribution HK$'000	Total HK$'000
Executive directors					
Wu Shurong (note i)	–	–	–	–	–
Wang Xiang (note i)	–	–	–	–	–
Liu Jun (note i)	–	–	–	–	–
Li Baojian (note i)	–	–	–	–	–
Han Hong (note ii)	–	–	–	–	–
Wang Zhaohui (note ii)	–	–	–	–	–
Zhang Qi (note ii)	–	–	–	–	–
Non-executive directors					
Chen Si (note ii)	–	–	–	–	–
Zhang Zhaogang (note ii)	–	–	–	–	–
Independent non-executive directors					
Ng Lai Man Carmen (note i)	20	–	–	–	20
Shi Zhu	80	–	–	–	80
Tan Chuen Yan Paul (Note i)	20	–	–	–	20
Cheng Tai Kwan (note ii)	60	–	–	–	60
Lu Heng Henry (note ii)	60	–	–	–	60
	240	–	–	–	240

Notes:

i. The directors were appointed on 30 September 2024.

ii. The directors resigned on 30 September 2024.

13. Directors' and Chief Executive's Remuneration *(Continued)*

For the year ended 31 December 2023

	Director's fee HK$'000	Basic salaries and allowances HK$'000	Performance bonus HK$'000	Retirement benefit scheme contribution HK$'000	Total HK$'000
Executive directors					
Han Hong	–	–	–	–	–
Wang Zhaohui	–	–	–	–	–
Zhang Qi	–	–	–	–	–
Non-executive directors					
Chen Si	–	–	–	–	–
Zhang Zhaogang	–	–	–	–	–
Independent non-executive directors					
Cheng Tai Kwan	80	–	–	–	80
Lu Heng Henry	80	–	–	–	80
Shi Zhu	80	–	–	–	80
	240	–	–	–	240

Note:

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the directors and the five highest paid individuals (including the directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year ended 31 December 2024 and 2023.

14. Five Highest Paid Individuals Remuneration

Of the five individuals with the highest emoluments in the Group, none (2023: none) was a director of the Company whose emoluments are included in the disclosures in Note 13 above. The emoluments of the remaining five (2023: five) individuals were as follows:

	2024 **HK$'000**	2023 HK$'000
Basic salaries and allowances	**2,518**	2,294
Performance bonus	**399**	182
Retirement benefits scheme contributions	**255**	220
	3,172	2,696

The remuneration is within the following bands:

	Number of employees	
	2024	2023
HK$Nil to HK$1,000,000	**5**	5

15. Income Tax Expense

No provision for income tax expense had been made as the Company and subsidiaries have no assessable profits in their jurisdictions for the years ended 31 December 2024 and 2023.

The Hong Kong Profits Tax charge is calculated at 8.25% (2023: 8.25%) on the first HK$2 million of estimated assessable profit and at 16.5% (2023: 16.5%) on the estimated assessable profits above HK$2 million.

Jamaica Corporate Income Tax is 30% (2023: 30%) on assessable profits arising in Jamaica. The Government of Jamaica, through the Ministry of Finance and Public Services, granted Pan-Caribbean Sugar Company Limited ("**PCSC**") 20-year period of relief from Corporate Income Tax effective on the commencement of operations since 2012, with the option to apply for a renewal.

Benin Standard Corporate Income Tax rate is 30% (2023: 30%). Compagnie Beninoise De Bioenergie ("**CBB**") is eligible for certain tax holiday and concessions and were exempted from Benin income tax for both 2024 and 2023.

The tax rate of the PRC subsidiary is 25% (2023: 25%) under Enterprises Income Tax Law of the PRC (the "**EIT Law**") and Implementation Regulation of the EIT Law.

No provision for deferred taxation had been made in view of immaterial effect.

15. Income Tax Expense *(Continued)*

	2024 HK$'000	2023 HK$'000
Loss before income tax expense	**(41,410)**	(58,267)
Tax at the domestic income tax rate of 30%	**(12,423)**	(17,480)
Tax effect of income not taxable for tax purposes	**(616)**	(484)
Tax effect of expenses not deductible for tax purposes	**2,023**	769
Tax effect of a subsidiary with tax exemption	**9,393**	16,929
Tax effect of a subsidiary in other jurisdictions	**1,623**	266
	–	–

16. Dividend

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: HK$Nil).

17. Loss Per Share

The calculation of basic loss per share is based on the consolidated loss for the year attributable to owners of the Company of HK$32,180,000 (2023: HK$41,212,000), and the weighted average number of 2,191,180,000 (2023: 2,191,180,000) ordinary shares in issue during the year.

The Company did not have any potential ordinary shares outstanding to be issued during the years ended 31 December 2024 and 2023. Diluted loss per share is equal to basic loss per share.

18. Property, Plant and Equipment

	Freehold land HK$'000	Buildings HK$'000	Furniture and equipment HK$'000	Computers HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Bearer plant HK$'000	Total HK$'000
COST									
At 1 January 2023	1,741	16,062	1,411	3,111	561,309	27,314	159,467	43,545	813,960
Addition	–	–	–	3	–	–	–	2,249	2,252
Disposals	–	–	–	–	–	(15)	–	(4,310)	(4,325)
Exchange realignment	(30)	(280)	(18)	(54)	(9,803)	(469)	5,817	(755)	(5,592)
At 31 December 2023 and 1 January 2024	**1,711**	**15,782**	**1,393**	**3,060**	**551,506**	**26,830**	**165,284**	**40,729**	**806,295**
Addition	**–**	**–**	**–**	**6**	**–**	**–**	**–**	**4,225**	**4,231**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,142)**	**(3,142)**
Exchange realignment	**(27)**	**(249)**	**(24)**	**(48)**	**(8,714)**	**(430)**	**(10,919)**	**(643)**	**(21,054)**
At 31 December 2024	**1,684**	**15,533**	**1,369**	**3,018**	**542,792**	**26,400**	**154,365**	**41,169**	**786,330**
ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT									
At 1 January 2023	1,624	15,629	1,394	3,072	556,960	27,277	159,467	42,169	807,592
Provided for the year	–	41	4	10	447	9	–	765	1,276
Eliminated on disposal	–	–	–	–	–	(15)	–	(4,028)	(4,043)
Impairment loss recognised	–	–	–	–	–	–	–	1,179	1,179
Exchange realignment	(28)	(273)	(17)	(54)	(9,728)	(468)	5,817	(729)	(5,480)
At 31 December 2023 and 1 January 2024	**1,596**	**15,397**	**1,381**	**3,028**	**547,679**	**26,803**	**165,284**	**39,356**	**800,524**
Provided for the year	**–**	**37**	**1**	**9**	**369**	**29**	**–**	**2,058**	**2,503**
Eliminated on disposal	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,840)**	**(2,840)**
Impairment loss recognised	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,896**	**1,896**
Exchange realignment	**(25)**	**(243)**	**(23)**	**(48)**	**(8,632)**	**(452)**	**(10,919)**	**(621)**	**(20,963)**
At 31 December 2024	**1,571**	**15,191**	**1,359**	**2,989**	**539,416**	**26,380**	**154,365**	**39,849**	**781,120**
CARRYING AMOUNTS									
At 31 December 2024	**113**	**342**	**10**	**29**	**3,376**	**20**	**–**	**1,320**	**5,210**
At 31 December 2023	**115**	**385**	**12**	**32**	**3,827**	**27**	**–**	**1,373**	**5,771**

19. Intangible Asset

	Customer relationship HK$'000
COST	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	423,000
ACCUMULATED AMORTISATION AND IMPAIRMENT	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	423,000
CARRYING AMOUNTS	
At 31 December 2023 and 31 December 2024	–

Impairment tests and impairment loss on intangible asset

i. Details and movement of the value on the intangible asset

Initially, the intangible asset represented customer relationship purchased as part of a business combination of Sino-Africa Technology & Trading Limited ("**SATT**") in February 2009. As detailed in the valuation report at the time of acquisition in February 2009, the customer relationship of SATT at date of acquisition consisted of four customers, namely, the La Sucrerie de COMPLANT de Madagascar ("**African Company 1**"), COMPLANT Magbass Sugar Complex Company Limited ("**African Company 2**"), La Sucrerie de COMPLANT du Benin ("**African Company 3**"), Sucrerie Cote Ouest de COMPLANT de Madagascar (Ouest Sucre) ("**African Company 4**"). African Company 1, 2, 3 and 4 are all indirect subsidiaries of COMPLANT which is a substantial shareholder holding 13.69% shares of the Company. Due to subsequent business development of SATT, two fellow subsidiaries of SATT, namely Pan-Caribbean Sugar Company Limited ("**PCSC**") and Compagnie Beninoise De Bioenergie ("**CBB**") were added as new customers in 2012 and 2013 respectively after the independent shareholders approved their annual caps for the continuing connected transactions. The addition of these two customers was considered as part of customer relationship even though no restatement of cost of the intangible asset for these internally generated intangible asset.

The customer relationship represents the present value of the future cash flows attributed to established customer base and other business relationships built up by SATT in African and other nations and has a definite useful life and is amortised on straight-line basis over the estimated useful life of 20 years. The movement of value of the intangible asset for 2024 was set out above.

19. Intangible Asset (Continued)

Impairment Tests and Impairment Loss on Intangible Asset (Continued)

ii. Reasons and details of events and circumstances that led to impairment loss of the intangible asset in 2017

The impairment loss of the intangible asset in 2017 was mainly for reason that the operating results of two of its customers, namely PCSC and CBB, which owed a total of approximately HK$129.1 million to SATT did not show much improvement even PCSC suspended two of its sugar estates and one of its sugar factory in 2016. The length of time it will take by these two customers to repay its debts to SATT has reassessed in 2017. The projected working capital requirement was higher than that expected in 2016 for the next five years resulting from the expected lengthening of the repayment time by PCSC and CBB. The increase in net working capital requirement will reduce the free cash flow and this has the effect of lowering the value-in-use ("**VIU**") valuation of SATT in 2017.

Save as disclosed above, the Company is not aware of any other significant reason or change in circumstances since the year ended 31 December 2017 leading to impairment loss of the intangible asset.

iii. Factors, events and circumstances of the impairment of intangible asset cannot be anticipated at the time of acquisition of the intangible asset in February 2009

The impairment loss was due to the subsequent abrupt market and operation changes in 2017 and the new changes in customer relationship of SATT after the acquisition in 2012 and 2013. Those changes happened years after the acquisition and were therefore impossible to forecast at time of acquisition in February 2009.

20. Biological Assets – Growing Cane

Movement in biological assets, representing growing cane before harvest, are summarised as follows:

	2024 **HK$'000**	2023 HK$'000
Opening balance (level 3 recurring fair value)	**17,606**	17,975
Cane cultivation cost capitalised	**49,056**	57,929
Decrease in cane harvested	**(38,411)**	(36,855)
Change in fair value	**(12,125)**	(21,129)
Exchange realignment	**(277)**	(314)
Closing balance (level 3 recurring fair value)	**15,849**	17,606

The fair value of biological assets is a level 3 recurring fair value measurement. The decrease in fair value of biological assets for the year ended of approximately HK$12,125,000 (2023: decrease in fair value of approximately HK$21,129,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

20. Biological Assets – Growing Cane *(Continued)*

Valuation Methodology of Biological Assets

The Group has engaged BMI Appraisals Limited, an independent valuation firm, to determine the fair value of the biological assets as at 31 December 2024 (the "**Valuation Date**").

i. Valuation techniques and assumptions

The valuation technique used is the discounted cash flow method under income approach which requires to assess a series of variables, including cane yield, market price of sugar cane, percentage of maturity of sugar cane, etc. The values of such variables are determined by the independent valuers using information supplied by the Group, proprietary and third-party data as well as under some assumptions. There were no changes to the valuation technique since last year. Major assumptions adopted for valuation are listed below:

a. The sugar cane crop is a perennial crop with a one year crop cycle and the crop is reaped exactly one year after planting; and

b. The sugar cane crop experiences linear growth.

ii. Unobservable inputs

The major inputs for the above valuation model are cane yield per hectare, market prices of sugar cane and estimated maturity of cane. The values of such inputs are as follows:

a. The estimated cane yield per hectare represents the harvest level of the sugar cane. The yield of sugar cane is affected by the age, species and health of the cane roots, the climate, location, soil conditions, topography and agricultural infrastructure.

	2024	2023
Estimated yield (tonnes cane/hectare)	**42.9**	48.4

The estimated cane yield per hectare represents the harvest level of the sugar cane in the Frome estate, which is the only one (2023: one) of the three (2023: three) estates in operation during the year.

b. The market price variable represents the estimated market price in Jamaica Dollar ("**J$**") for the sugar cane produced by the Group.

	2024	2023
Estimated market price per tonne (approximately equivalent to)	**J$6,976** **(HK$348)**	J$6,641 (HK$343)

20. Biological Assets – Growing Cane *(Continued)*

Valuation Methodology of Biological Assets *(Continued)*

ii. Unobservable inputs (Continued)

c. The average maturity of cane as calculated by plant date and Valuation Date.

	2024	2023
Weighted average maturity of cane per hectare (approximately)	**85.4%**	81.1%

The higher the estimated cane yield per hectare, market prices variables and average maturity of cane, the higher the fair value.

The fair value measurement is based on the above biological assets' highest and best use, which does not differ from their actual use.

21. Inventories

	2024 HK$'000	2023 HK$'000
Consumables and components	**41,626**	46,064
Good in transit	**401**	463
Sugar and molasses	**152**	3,592
	42,179	50,119
Write-down	**(30,956)**	(27,725)
Net realisable value	**11,223**	22,394

At 31 December 2024, the sugar and molasses consisted of 21 tonnes of sugar (2023: 278 tonnes of sugar and 1,446 tonnes of molasses) with carrying amounts of HK$152,000 (2023: HK$2,163,000 and HK$1,429,000 respectively).

During the year ended 31 December 2024, write-down of inventories of HK$3,668,000 (2023: HK$Nil) for consumables and components related to property, plant and equipment. Movement in write-down of consumables and components during the year was as follows:

	2024 HK$'000	2023 HK$'000
At the beginning of the year	**27,725**	28,217
Write-down of inventories	**3,668**	–
Exchange realignment	**(437)**	(492)
At the end of the year	**30,956**	27,725

22. Trade and Other Receivables

	2024 HK$'000	2023 HK$'000
Trade receivables	**42,877**	47,435
Less: impairment loss	**(42,800)**	(46,051)
	77	1,384
Prepayments	**2,475**	671
Other receivables and deposits	**1,224**	781
	3,776	2,836

The Group does not hold any collateral over these balances.

The Group allows a credit period of 90-365 days (2023: 90-365 days) to its customers of Supporting services, 30 days (2023: 30 days) to customers of sugar trading and 60 days (2023: 60 days) to customers of molasses trading. The following was an ageing analysis of trade receivables presented based on the invoice date and prior to impairment loss at the end of the reporting period are as follows:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**3**	752
31 – 60 days	**–**	230
61 – 90 days	**3**	22
91 – 365 days	**71**	34
> 365 days	**42,800**	46,397
	42,877	47,435

The Group recognised impairment loss based on the accounting policy stated in note 4(e)(ii) for the years ended 31 December 2024 and 2023.

Further details on the group's credit policy and credit risk arising from trade receivables are set out in note 7(b).

23. Bank Balances, Deposits and Cash

	2024 HK$'000	2023 HK$'000
Bank balances and cash	**29,714**	37,145
Short-term fixed deposits maturing within three months	**3**	319
Cash and cash equivalents	**29,717**	37,464

Cash at banks earns interest at floating rates based on daily bank deposit rates.

24. Trade and Other Payables

	2024 HK$'000	2023 HK$'000
Trade payables	**1,940**	5,585
Other payables and accrued liabilities (see below)	**531,946**	541,760
	533,886	547,345

Trade payables credit period granted by trade creditors of Supporting services is 365 days while credit period granted by trade creditors of Sugar business is 30 days.

The following is an analysis of trade payables by age based on due date.

	2024 HK$'000	2023 HK$'000
Not yet due	**678**	1,133
Overdue 1 – 90 days	**963**	2,821
Overdue 91 – 180 days	**–**	152
Overdue 181 – 365 days	**19**	1,126
Overdue > 365 days	**280**	353
	1,940	5,585

As at 31 December 2024, included in other payables and accrued liabilities was an amount due to Guangken Sugar of HK$518,099,000 (2023: HK$518,099,000) upon the maturity of the convertible notes on 27 February 2019. Pursuant to the Supplemental Undertaking as mentioned in the announcement of the Company dated 22 December 2023, conditional upon the entering into of an agreement for a formal repayment plan, Guangken Sugar will not demand repayment of or performance of obligations until 31 December 2025. The amount due was unsecured, interest-free and repayable on demand.

25. Contract Liabilities

Contract liabilities represent the Group's obligation to transfer goods to customers for which the Group has received consideration (or an amount of consideration is due) from the customers.

	2024 **HK$'000**	2023 HK$'000
Contract liabilities arising from:		
Sugar business	**2,003**	10,529

	2024 **HK$'000**	2023 HK$'000
At beginning of the year	**10,529**	374
Increase in contract liabilities as a result of receipt in advance	**2,003**	10,550
Decrease in contract liabilities as a result of recognition of revenue during the year	**(10,363)**	(368)
Exchange difference	**(166)**	(27)
At end of the year	**2,003**	10,529

All the contract liabilities as at 31 December 2023 are recognised as revenue during the year ended 31 December 2024. The Group expects that the contract liabilities as at 31 December 2024 will be recognised as revenue within a year or less.

26. Notes Supporting Consolidated Statement of Cash Flows

Reconciliation of liabilities arising from financing activities:

	Amount due to Guangken Sugar included in other payables HK$'000 (Note 24)	Amount due to non-controlling interests HK$'000 (Note 27)	Lease liabilities HK$'000 (Note 29)
As at 1 January 2023	525,889	582,581	25,734
Changes from cash flow:			
Payment of lease liabilities	–	–	(2,105)
Repayment to Guangken Sugar	(7,790)	–	–
Other change:			
Finance costs (note 11)	–	19,677	1,965
Exchange realignment	–	2,301	105
At 31 December 2023	518,099	604,559	25,699
As at 1 January 2024	**518,099**	**604,559**	**25,699**
Changes from cash flow:			
Payment of lease liabilities	**–**	**–**	**(2,090)**
Advance from Guangken Sugar	**–**	**8,398**	**–**
Other change:			
Finance costs (note 11)	**–**	**22,761**	**1,956**
Exchange realignment	**–**	**(4,450)**	**(194)**
At 31 December 2024	**518,099**	**631,268**	**25,371**

27. Amount Due To Non Controlling Interests

The amount due to non-controlling interests, Guangken Sugar, which are denominated in USD, interest bearing at 5.40% (2023: 4.31% to 6.15%) per annum and repayable on demand.

28. Share Capital and Reserves

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	6,000,000	600,000
Issued and fully paid:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	2,191,180	219,118

All of the shares issued by the Company rank pari passu in all respects.

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Special reserve	The difference between the consideration paid by the Company for the acquisition of the equity interest in subsidiaries under common control and aggregate carrying amount of assets and liabilities of each subsidiaries.
Translation reserve	Gains/losses arising on translating the net assets of foreign operations into presentation currency.
Accumulated losses	Cumulative net gains and losses recognised in profit or loss.

29. Leases

Nature of leasing activities (in the capacity as lessee)

The Group leases land in the jurisdictions in which it operates. The periodic rent is fixed over the lease term.

Right of use Asset

	Leasehold land HK$'000
Cost	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	28,195
Accumulated depreciation and impairment	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	28,195
	–

The analysis of the carrying amounts of right of use asset by class of underlying asset was as follows:

	2024 **HK$'000**	2023 HK$'000
Leasehold land	**–**	–

29. Leases *(Continued)*

Lease Liabilities

	Leasehold land HK$'000
At 1 January 2023	25,734
Interest expense	1,965
Payment of lease liabilities	(2,105)
Exchange realignment	105
At 31 December 2023 and 1 January 2024	**25,699**
Interest expense	**1,956**
Payment of lease liabilities	**(2,090)**
Exchange realignment	**(194)**
At 31 December 2024	**25,371**

Future lease payments are due as follows:

	At 31 December 2024		
	Minimum lease payments HK$'000	**Interest HK$'000**	**Present value of minimum lease payments HK$'000**
Within one year	**2,090**	**746**	**1,344**
After one but within two years	**2,090**	**841**	**1,249**
After two but within five years	**6,269**	**3,031**	**3,238**
More than 5 years	**64,537**	**44,997**	**19,540**
	72,896	**48,869**	**24,027**
	74,986	**49,615**	**25,371**

29. Leases *(Continued)*

Lease Liabilities *(Continued)*

	At 31 December 2023		
	Minimum lease payments HK$'000	Interest HK$'000	Present value of minimum lease payments HK$'000
Within one year	2,105	648	1,457
After one but within two years	2,105	751	1,354
After two but within five years	6,315	2,803	3,512
More than 5 years	68,433	49,057	19,376
	76,853	52,611	24,242
	78,958	53,259	25,699

The present value of future lease payments are analysed as:

	2024 HK$'000	2023 HK$'000
Current liabilities	**1,344**	1,457
Non-current liabilities	**24,027**	24,242
	25,371	25,699

30. Retirement Benefits Schemes

The Group operates the Mandatory Provident Fund ("**MPF**") Scheme established under the Mandatory Provident Fund Ordinance for its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees.

The Group contributes 5% of relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The employees of the Group's subsidiary in PRC and Jamaica are members of a state-managed retirement benefit scheme operated by the government of the PRC and Jamaica respectively. The subsidiaries are required to contribute 20% and 2.5% respectively of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

At the end of reporting period, there were no significant forfeited contributions available to reduce the contribution payable in the future years.

The total cost charged to the consolidated statement of profit or loss of approximately HK$18,000 (2023: approximately HK$18,000) represents contributions payable to these schemes by the Group in respect of the current accounting period.

31. Pledge of Assets

As at 31 December 2024, there was no asset being pledged (2023: Nil).

32. Related Party Transactions and Balances

Other than disclosed elsewhere in the consolidated financial statements, the transactions for the year and balances at 31 December 2024 with consolidated related parties are as follows:

Key management personnel compensation

Directors are regarded the only key management personnel of the Company. Other than the remuneration paid to the directors and employees of the Group as set out in note 13, who are considered as the key management personnel of the Group, the Group did not have any other significant compensations to key management personnel.

The remuneration of the directors and key management personnel is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

33. Statement of Financial Position of the Company

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Interest in subsidiaries		**88,062**	171,385
Current assets			
Bank balances and cash		**6,593**	9,802
Total assets		**94,655**	181,187
Current liabilities			
Other payables		**519,289**	519,728
Net current liabilities		**(512,696)**	(509,926)
Net liabilities		**(424,634)**	(338,541)
Capital and reserves			
Share capital		**219,118**	219,118
Reserves	a	**(643,752)**	(557,659)
Total capital deficiency		**(424,634)**	(338,541)

Note:

a. **RESERVES OF THE COMPANY**

	Share premium HK$'000	**Special reserve** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
At 1 January 2023	708,392	468,577	(1,687,473)	(510,504)
Loss for the year	–	–	(47,155)	(47,155)
At 31 December 2023 and 1 January 2024	708,392	468,577	(1,734,628)	(557,659)
Loss for the year	–	–	(86,093)	(86,093)
At 31 December 2024	708,392	468,577	(1,820,721)	(643,752)

34. Subsidiaries

The following list contains the particulars of subsidiaries of the Group:

Name of company	Place of incorporation/ operations	Nominal value of Issued and and fully paid share capital/ registered capital	Percentage of ownership interests attributable to the Company				Percentage of voting power held by the Company		Principal activities
			2024		2023		**2024**	2023	
			Directly	**Indirectly**	Directly	Indirectly			
Jumbo Right Investment Limited	British Virgin Island ("**BVI**")/ Hong Kong	Ordinary shares US$1	**100%**	**-**	100%	–	**100%**	100%	Investment holding
Sino-Africa Technology & Trading Limited	BVI/ Hong Kong	Ordinary shares US$3,000,000	**-**	**100%**	–	100%	**100%**	100%	Provision of supporting services to sweetener business
River Right Limited	BVI/ Hong Kong	Ordinary share US$1	**100%**	**-**	100%	–	**100%**	100%	Investment holding
Zheng Da Investments Limited	BVI/ Hong Kong	Ordinary share US$100	**-**	**90%**	–	90%	**90%**	90%	Investment holding
Compagnie Beninoise De Bioenergie	Republic of Benin	Registered capital XOF 1,000,000,000	**-**	**90%**	–	90%	**90%**	90%	Ethanol biofuel business
Joyful Right Limited ("**Joyful Right**")	BVI Hong Kong	Ordinary share US$100	**70%**	**-**	70%	–	**70%**	70%	Investment holding
Pan-Caribbean Sugar Company Limited	Jamaica	Ordinary shares US$38,000,000	**-**	**70%**	–	70%	**70%**	70%	Cultivation of sugar cane, manufacturing and sales of sugar and molasses

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

35. Non-Controlling Interests

Joyful Right and its subsidiary ("**Joyful Right Group**"), a 70% owned subsidiary of the Company, has material non-controlling interests ("**NCI**"). The NCI of all other subsidiaries that are not 100% owned by the group are considered to be immaterial.

Summarised financial information in relation to the NCI of Joyful Right Group, before intra-group eliminations, is presented below:

	2024 **HK$'000**	2023 HK$'000
For the year ended 31 December		
Revenue	**147,289**	142,298
Loss for the year	**(34,057)**	(72,627)
Total comprehensive loss	**(11,962)**	(48,906)
Loss allocated to NCI	**(3,588)**	(14,671)
Dividend paid to NCI	**–**	–
Net cash inflow from operating activities	**4,349**	7,989
Net cash outflow from investing activities	**(4,075)**	(2,118)
Net cash outflow from financing activities	**(2,090)**	(2,105)
Net cash (outflow)/inflow	**(1,816)**	3,766
At 31 December		
Current assets	**43,540**	57,978
Non-current assets	**5,203**	5,764
Current-liabilities	**(751,016)**	(753,838)
Non-current liabilities	**(24,027)**	(24,242)
Net liabilities	**(726,300)**	(714,338)
Accumulated non-controlling interests	**(217,890)**	(214,302)

36. Events after the Reporting Date

There was no material event after the reporting date.

37. Approval of Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2025.

Five Years Financial Summary

	Year ended 31st December				
	2020	2021	2022	2023	**2024**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
RESULTS					
Turnover	118,472	135,619	142,835	142,298	**147,289**
Cost of sales	(90,251)	(113,675)	(121,989)	(120,703)	**(106,532)**
Gross profit	28,221	21,944	20,846	21,595	**40,757**
Change in fair value of biological assets	(19,887)	(4,122)	(16,487)	(21,129)	**(12,125)**
Other income, net	4,540	4,919	4,492	4,865	**4,525**
Administrative expenses	(29,890)	(28,363)	(33,076)	(27,483)	**(35,074)**
Other operating (expenses)/ income	(31,787)	24,650	(11,187)	(1,482)	**(2,912)**
Finance costs	(72,445)	(76,327)	(10,077)	(34,633)	**(36,581)**
Loss before tax	(121,248)	(57,299)	(45,489)	(58,267)	**(41,410)**
Income tax expense	–	–	–	–	**–**
Loss for the year	(121,248)	(57,299)	(45,489)	(58,267)	**(41,410)**
Attributable to:					
Owners of the Company	(95,956)	(33,178)	(33,138)	(41,212)	**(32,180)**
Non-controlling interests	(25,292)	(24,121)	(12,351)	(17,055)	**(9,230)**
	(121,248)	(57,299)	(45,489)	(58,267)	**(41,410)**

	At 31st December				
	2020	2021	2022	2023	**2024**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
ASSETS AND LIABILITIES					
Total assets	132,231	151,265	107,040	86,071	**65,775**
Total liabilities	(1,117,386)	(1,140,218)	(1,160,172)	(1,188,132)	**(1,192,528)**
Non-controlling interests	172,673	173,406	198,424	211,802	**218,146**
	(812,482)	(815,547)	(854,708)	(890,259)	**(908,607)**