SYMPHONY
新灃集團有限公司
SYMPHONY HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
Stock Code : 01223

2024 ANNUAL REPORT

SYMPHONY

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Tun Nei *(Chairman & Chief Executive Officer)*
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming
Ms. Fung Kim Wan Ewim *(appointed on 6 December 2024)*

Independent Non-executive Directors

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

BOARD COMMITTEES

Audit Committee

Mr. Chow Yu Chun Alexander *(Chairman)*
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie

Remuneration Committee

Mr. Wah Wang Kei Jackie *(Chairman)*
Mr. Shum Pui Kay
Mr. Chow Yu Chun Alexander

Nomination Committee

Mr. Cheng Tun Nei *(Chairman)*
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie

COMPANY SECRETARY

Mr. Tam Sik Wai

AUDITOR

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

10/F., Island Place Tower
510 King's Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of East Asia, Limited
First Commercial Bank Limited
Bank of China (Hong Kong) Limited

WEBSITE

www.symphonyholdings.com

STOCK CODE

1223

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I hereby present the audited consolidated final results of the Group for the Year together with comparative figures for the Comparable Year.

Over the past year, the macroeconomic environment was full of challenges. Factors such as the restructuring of the real estate market, sluggish consumer demand and trade disputes have dampened economic growth. Despite these obstacles, Symphony Group has remained committed to promoting steady development of its business by leveraging its diversified business portfolio and proactive approach for increasing flexibility.

The Group is operating outlets and community malls in mainland China under the brand name of "Park Outlets". During the Year, "Park Outlets", especially the outlets located in Shenyang and Xiamen, achieved satisfying performance. Driven by brand upgrading and adjustment as well as a wide variety of well-planned events organised by the Group throughout the year, these outlets recorded growth in revenue, and customer traffic flow even recorded high double-digit growth year on year. "Park Outlets" in Xiamen achieved monthly performance of exceeding RMB100 million for the first month of the year for three consecutive years. Outlet has attracted a number of prestigious international brands to expand their business, and set up its first outlet in Fujian province. "Park Outlets" in Shenyang has introduced the largest global coffee chain brand, creating greater synergies with other brands. The renovation and upgrading works in some zones of the outlet have been completed, creating a more premium shopping environment. Through online and offline promotion campaign efforts, the abundance of original content has successfully attracted consumers to spend in our outlets. For the community malls located in Chongqing and Tianjin, with the merchants mainly engaging in the catering and service industries such as education centres, gymnasiums, barbershops, etc., the demands for necessary consumption by the residents in the neighbouring areas brought stable foot traffic. In recognition of its performance by the industry, "Park Outlets" received several awards and honours during the Year, including "Top 50 China Outlets Index 2023–2024" by the organizing committee of the 11th Outlet Summit, the "2024 Peak Navigator Award" (2024巔峰領航獎) by Douyin Life Service (抖音生活服務), etc.. After years of operating history in a pursuit of excellence, "Park Outlets" has achieved business growth in terms of comprehensive strength, and has become the first-choice retail brand for the consumers and brand customers.

The Group's branding business covers different fields. It currently operates the world's first compression sportswear brand "SKINS", health care business Supremium Bio-Technology Limited ("**SBT**") and Japanese wine brand "Hakuryu". Products of SKINS are sold to many countries across the world, mainly targeting on end-user base of professional athletes. However, in light of the intensifying competition in the compression sportswear market currently, the Group underwent brand re-planning and took proactive measures to adapt to the new market environment, including enhancing brand and product innovation, exploring suitable distributors in some regions and strengthening cooperation with business partners. Meanwhile, the Group improved product quality and enrich collection mix, and sponsored Olympics golden medal winners, internet celebrities and international games, in an effort to increase brand exposure.

As for SBT, which focuses on the local health care market, is mainly engaged in R&D, production and distribution of health care products. Its products include self-owned brands and client brands, and its sales network covers pharmacies, retail chain stores and duty-free shops in Hong Kong. With the increasing healthcare awareness of the consumers, we witnessed growing demands in the health care product market. SBT further strengthened relationship with its business partners over the past year, including selling its products on the leading e-commerce platforms in the Mainland, and exploring business in Southeast Asia, etc..

The Group invested in Japan's 200-year-old Yoshida Brewery Limited. Following the production line having commenced production in the second half of 2023, the business has made steady progress. The Group proactively carried out promotion via a number of platforms and expanded cooperation networks, laying a solid foundation for business development.

Chairman's Statement

The Group has been operating financial business in Hong Kong for a number of years now, mainly providing margin financing, underwriting and sales, consulting services and lending, and focusing on serving long-term customers. Driven by increasing fundraising activities and a positive market atmosphere in the second half of the year, the Group's financial business has remained healthy and stable growth.

Looking ahead, the external economic environment remains surrounded with uncertainties, such as ongoing international trade disputes, restructure of global supply chain, debt risks, etc.. Faced up with challenges, Chinese government is actively expanding domestic demand and enhancing market confidence, and has introduced a series of well-targeted and diverse policy measures to further optimise the economic structure and development momentum. The Group firmly believes that under the forward-looking planning and policy support of the Chinese government, China's economic will underpinned by robust fundamentals and maintains a sustained positive growth trajectory. The Group will continue to enhance its own advantages and seize the opportunities brought by the government to promote the strength of each business segment.

For the retailing segment, by seizing the policy opportunity arising from the national initiative of "Special Initiatives to Boost Consumption", and taking into consideration of the business opportunities brought by the trade-in subsidy and service-based pro-consumption policies, "Park Outlets" will leverage on its existing advantages to unleash market potential. The Group will proactively invite international brands and local quality merchants to join us to establish a diversified mix of consumption brands, and organise all kinds of promotion campaigns at different festivals throughout the year, translating favourable policies into market growth. Upholding the concept of asset-light operation, the Group will actively explore the new blue ocean market, and provide solutions to the industry by leveraging the extensive operation experiences of our team and standardised management system. The Group will also seek to form strategic cooperation alliance with other developers, with an aim to achieve win-win results for business partners through co-branding and entrusted management models. Furthermore, the retail business will optimise operation efficiency with application of big data and artificial intelligence technology, gain an in-depth understanding of users' needs through in-time analysis of consumption trend, in an effort to offer consumers a more customised and scenario-based shopping experience and developing each outlet into a new hub for quality lifestyle.

In terms of branding business, the Group will further optimise the compression sportswear business and consolidate its resources to develop key markets. Continuous efforts will be made to improve product competitiveness and end-user experience, aiming to enhance brand advantage. While continuing to focus on the Hong Kong market, the health care product business SBT will explore new business opportunities in the surrounding regions, and will enhance product development and sale. For the Japanese wine business, with the increase in production capacity, it will proactively step up effort in marketing promotion in the future to accelerate business development. The Group is cautiously optimistic about its future development and will continue to strive for progress with its own business, facilitating steady development and ushering in a brighter future.

On behalf of the Board, I hereby extend my sincere thanks to shareholders, employees, banks, customers and business partners for your consistent trust and support. In pursuit of perfection, we will work further to drive business development and create greater values for all stakeholders.

Cheng Tun Nei
Chairman

Hong Kong, 31 March 2025

Management Discussion and Analysis

FINANCIAL REVIEW

Overview of Annual Results

During the Year, the Group's overall revenue increased by approximately 0.9% to approximately HKD307.6 million (2023: approximately HKD304.7 million).

Gross profit for the Year amounted to approximately HKD281.2 million, representing an increase of approximately HKD5.6 million or approximately 2.0% as compared with approximately HKD275.6 million for the Comparable Year. Gross profit margin for the Year was approximately 91.4% (2023: approximately 90.4%).

The Group recorded loss for the year attributable to owners of the Company of approximately HKD143.1 million for the Year, compared with loss of approximately HKD205.9 million for the Comparable Year, representing a decrease in loss of approximately 30.5% or approximately HKD62.8 million. The reduction in loss for the year attributable to owners of the Company for the Year was mainly attributable to the combined effect of, among others, (i) an increase in other income and gains; (ii) the implementation of cost control measures to reduce the distribution and selling costs and administrative expenses; and (iii) a reduction in fair value loss of investment properties.

Overall, the Group recorded basic and diluted loss per share of approximately HK4.81 cents for the Year, as compared with basic and diluted loss per share of approximately HK6.92 cents for the Comparable Year.

Revenue and operating results

Segment information

Branding

The branding segment comprised of: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine. Revenue for the Year amounted to approximately HKD53.0 million (2023: approximately HKD61.1 million), representing a decrease of approximately 13.3%.

The segment gross profit margin decreased to approximately 50.3% for the Year (2023: approximately 52.3%). The reportable segment loss of the branding segment was approximately HKD17.5 million for the Year (2023: reportable segment loss of approximately HKD39.4 million). The decrease in reportable segment loss was mainly due to an increase in other income and gains and the enhancement in operation efficiency.

Retailing

The retailing segment comprised of: (i) management and operation of outlet malls located in Xiamen, Shenyang and Anyang of the PRC; and (ii) investment properties including commercial premises located in Hong Kong, Beijing and Shanghai of the PRC and community malls located in Chongqing and Tianjin of the PRC. The investment properties are held either medium or long-term leases and for the purpose of either earning rental income or capital appreciation.

Revenue for the Year amounted to approximately HKD236.6 million (2023: approximately HKD223.9 million), representing an increase of approximately 5.7%. The segment gross profit margin was 100.0% for the Year (2023: 100.0%). The reportable segment loss of the retailing segment was approximately HKD21.8 million for the Year (2023: reportable segment loss of approximately HKD81.4 million). The decrease in reportable segment loss was mainly due to the reduction in fair value loss of investment properties.

Financial Services
The financial services segment continues to generate service income or interest income from the provisions of securities brokerage, margin financing, money lending and financial consultancy services in Hong Kong.

Revenue for the Year amounted to approximately HKD17.9 million (2023: approximately HKD19.8 million), representing a decrease of approximately 9.3%. The segment gross profit margin was 100.0% for the Year (2023: 100.0%). The reportable segment loss was approximately HKD26.1 million for the Year (2023: reportable segment loss of approximately HKD22.0 million). The increase in reportable segment loss was mainly due to the increase in provision of impairment loss on financial assets.

Other income and gains
Other income and gains mainly comprised of the reimbursement income of outlet malls, government grants and interest income. Other income and gains increased from approximately HKD26.6 million for the Comparable Year to approximately HKD37.9 million for the Year, representing an increase of approximately 42.6%. The increase was mainly due to an one-off government grant in respect of the Sake business in Japan that was received during the Year.

Distribution and selling expenses
Distribution and selling expenses mainly comprised of the advertising and promotion expenses and employees' costs. Distribution and selling expenses decreased from approximately HKD78.4 million for the Comparable Year to approximately HKD61.1 million for the Year, representing a decrease of approximately 22.1%. The decrease was due to strict control on advertising and promotion spending during the Year.

Administrative expenses
Administrative expenses mainly comprised of employees' costs, PRC tax surcharges and levies, professional fees and utilities expenses. Administrative expenses decreased from approximately HKD148.1 million for the Comparable Year to approximately HKD133.8 million for the Year, representing a decrease of approximately 9.6%. The decrease was due to the cost control measures implemented during the Year.

Finance costs
Finance costs mainly comprised of interest expenses on bank borrowings. Finance costs decreased from approximately HKD104.0 million for the Comparable Year to approximately HKD94.2 million for the Year, representing a decrease of approximately 9.4%. The decrease was primarily due to repayment of bank borrowings and the decrease in Hong Kong Interbank Offered Rate during the Year.

Provision of impairment loss on financial assets
Provision of impairment loss on financial assets for the Year amounted to approximately HKD9.2 million, as compared with approximately HKD6.5 million for the Comparable Year. Impairment loss on financial assets comprised of impairment loss on trade and other receivables and loans receivable.

Decrease in fair value of investment properties
Decrease in fair value of investment properties for the Year amounted to approximately HKD34.9 million, as compared with decrease of approximately HKD65.0 million for the Comparable Year. The reduction in fair value loss of investment properties reflects the stabilisation of the commercial property market of Hong Kong and the PRC during the Year.

Fair value loss on financial assets at fair value through profit or loss

Fair value loss on financial assets at fair value through profit or loss for the Year amounted to approximately HKD23.6 million, as compared with loss of approximately HKD23.7 million for the Comparable Year.

Income tax expense

Income tax expense for the Year amounted to approximately HKD4.1 million, representing an increase of approximately 652.1% as compared with the income tax expense of approximately HKD0.5 million for the Comparable Year. The increase was due to the rise in taxable profits during the Year.

Loss for the year attributable to owners of the Company

The Group reported loss for the year attributable to owners of the Company of approximately HKD143.1 million for the Year as compared with loss of approximately HKD205.9 million for the Comparable Year. The reduction in loss was mainly attributable to the combined effect of, among others, (i) an increase in other income and gains; (ii) the implementation of cost control measures to reduce the distribution and selling costs and administrative expenses; and (iii) a reduction in fair value loss of investment properties.

MARKET INFORMATION

During the Year, revenue from the PRC, Hong Kong and other Asian countries comprised of approximately 93.3% (2023: approximately 93.3%) of the total revenue and the remaining of approximately 6.7% (2023: approximately 6.7%) shared between the United States of America and other countries.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had bank balances and cash amounted to approximately HKD77.2 million (2023: approximately HKD132.6 million). The Group was offered banking facilities amounted to approximately HKD1,720.0 million (2023: approximately HKD1,731.1 million).

As at 31 December 2024, the Group's bank borrowings amounted to approximately HKD1,140.4 million (2023: approximately HKD1,386.8 million). The Group had variable interest-rate bank borrowings carried at interest rates from approximately 1.92% to 7.11% (2023: approximately 1.92% to 7.87%) per annum. The weighted average effective interest-rate was approximately 5.4% (2023: approximately 6.2%) per annum. The Group's gearing ratio was expressed as a percentage of total outstanding net debt (being the total bank borrowings less bank balances and cash) to total equity was approximately 45.8% (2023: approximately 49.4%). Bank borrowings of approximately HKD704.5 million (2023: approximately HKD813.8 million) must be repaid within one year, while the remaining balance must be repaid from two to eighteen years (2023: two to nineteen years).

As at 31 December 2024, the Group's current assets and current liabilities were approximately HKD1,274.7 million (2023: approximately HKD1,547.9 million) and approximately HKD1,162.6 million (2023: approximately HKD1,259.1 million) respectively. Accordingly, the Group's current ratio that expressed as current assets to current liabilities was approximately 1.10 (2023: approximately 1.23).

Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 December 2024, the Group pledged: (i) certain of its leasehold land and buildings, outlet mall buildings, investment properties, right-of-use assets, asset classified as held for sale and restricted bank deposits, with the respective carrying amounts of approximately HKD235.0 million, HKD1,480.9 million, HKD477.8 million, HKD401.3 million, HKD720.9 million and HKD nil million as at 31 December 2024 (2023: approximately HKD250.0 million, HKD1,532.9 million, HKD493.9 million, HKD428.3 million, HKD759.8 million and HKD51.0 million); (ii) shares of certain of the Company's subsidiaries; (iii) corporate guarantees provided by the Company and certain of its subsidiaries and a related party; and (iv) personal guarantee provided by a director of the Company, to secure the banking facilities offered to the Group.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group's capital commitments amounted to approximately HKD8.1 million in respect of construction costs of outlet mall buildings located in Shenyang of the PRC (2023: approximately HKD9.1 million).

CAPITAL EXPENDITURE

Capital expenditure including purchases of property, plant and equipment and construction costs of outlet mall buildings located in Shenyang of the PRC was approximately HKD22.5 million for the Year (2023: approximately HKD52.9 million).

CONTINGENT LIABILITIES

Details of potential tax liabilities in connection with the potential tax penalty arising from the late filing of the PRC tax returns for reporting the PRC Enterprise Income Tax to the PRC tax authority are disclosed in Note 9 of the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group's total number of employees was 217 (2023: 206). Employees' costs (excluding directors' emoluments) comprise of salaries, welfare and other expenses and contribution to defined contribution retirement plans amounted to approximately HKD53.9 million (2023: approximately HKD64.4 million).

In addition to competitive remuneration packages, discretionary bonus and employee share options are offered to the Group's eligible staff based on their performance and individual merits. The Group also provides other benefits including insurance, medical scheme and retirement plans to its employees.

TREASURY POLICY

Several principal subsidiaries of the Group are exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and monetary liabilities that are denominated in Renminbi and United States Dollars. During the Year, the Group did not enter into any financial derivatives for hedging purpose. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, SIGNIFICANT INVESTMENTS AND FUTURE PLANS OF MATERIAL INVESTMENT

Save as disclosed herein, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures, significant investments and future plans of material investment during the Year.

EVENT AFTER THE REPORTING PERIOD

Connected transaction in relation to the acquisition of the remaining 15% interest in a non-wholly owned subsidiary

On 25 February 2025, the Company (as purchaser) and ITOCHU Corporation ("**ITOCHU**") (as seller) entered into a share sale and purchase agreement pursuant to which the Company agreed to purchase, and ITOCHU agreed to sell, 600,000 shares of SYM ITO Sales and Distribution Company Limited ("**SYM ITO**", together with its subsidiaries, "**SYM ITO Group**"), representing 15% of the total issued shares of SYM ITO for a consideration of USD0.6 million (equivalent to approximately HKD4.7 million) (the "**Acquisition**"). Upon completion of the Acquisition on 28 February 2025, the Company holds 100% interest in SYM ITO and SYM ITO has become as a wholly owned subsidiary of the Company.

As ITOCHU was a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SYM ITO, the Acquisition constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The connected transaction under the Acquisition fell within the de minimis threshold under Rule 14A.76(2) of the Listing Rules and therefore was only subject to the reporting and announcement requirements, but exempted from the circular, independent financial advice and independent shareholders' approval requirements contemplated under Chapter 14A of the Listing Rules.

The consideration for the Acquisition was determined after arm's length negotiation between the parties having considered, among others, (i) the net asset value of SYM ITO Group as at 31 December 2023 of approximately USD1.7 million (equivalent to approximately HKD13.3 million); (ii) the gross profit of SYM ITO Group for the year ended 31 December 2023 of approximately USD3.6 million (equivalent to approximately HKD28.1 million); and (iii) the future business prospects and future financial performance of SYM ITO Group.

SYM ITO Group is principally engaged in the designing, manufacturing, marketing and distributing of the compression and high-performance sportswear and apparels of "SKINS".

The Board is of the view that the Acquisition will enable the Group to gain full control over SYM ITO Group and greater flexibility in the strategic directions and day-to-day management of SYM ITO Group, and hence, to achieve operational and management efficiency of the Group.

Going forward, by fully controlling SYM ITO through the Acquisition, the Company intends to continue to grow the "SKINS" business. The Group believes that there is potential in the further expansion of the "SKINS" business and therefore intends to launch brand image rebuilding campaign to enhance the brand awareness, and upgrade the collection mix through product development and innovation, in order to realise its potential. The Group has also been exploring potential opportunities and development, and upgrading the distribution network of "SKINS" products.

The Acquisition is conducive to the development of SYM ITO Group and the "SKINS" business, which will enable the Group to broaden its revenue base in long run by securing more opportunities throughout the development process.

By broadening the revenue base of the "SKINS" business through the aforesaid development after the Acquisition, it is positive that there will be a significant growth in the turnover of SYM ITO Group over the next few years. Further, it is expected that the operating costs of SYM ITO Group will be reduced by the enhancement of operational and management efficiency brought by the Acquisition. Therefore, by reducing loss and gradually improving the profitability of SYM ITO Group over the next few years, the Group is optimistic of the prospects of "SKINS" business and the future financial performance of SYM ITO Group subsequent to the Acquisition, and hence provide a positive contribution to the financial results of the Group.

Please refer to the announcement of the Company dated 25 February 2025 for further details.

Save as disclosed in this report, there was no other significant event affecting the Group that had occurred after 31 December 2024 and up to date of this report.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Cheng Tun Nei, aged 61, has been appointed as an Executive Director since 15 December 2014 and was further appointed as the chairman of the Board and the Chief Executive Officer on 23 December 2014 and 30 September 2015 respectively. He is the chairman of the Nomination Committee. Mr. Cheng is mainly responsible for the formulation of development strategies of the Group, as well as giving guidance to the Group's project investment, financing and investment. He is also a director of certain subsidiaries of the Company.

He is an experienced investor in securities and also a seasoned businessman engaging in securities and financing, consultancy, hotel investment, real estate investment and development, import and export of cigarettes, perfume and cosmetic products business for many years. He is also a director of Goldsilk Capital Limited, a substantial shareholder of the Company under the Securities and Futures Ordinance.

Mr. Cheng is the father of Mr. Cheng Chun Lung, the vice president for Business Development of the Company, and the brother-in-law of Mr. Lee Cheung Ming, an Executive Director.

Mr. Chan Kar Lee Gary, aged 69, has been appointed as an Executive Director on 2 January 2014. He was further appointed as the Chief Operating Officer of the Group on 1 November 2014. From January 2019, he has been in-charge of branding business and other general operations of the Group. Since January 2021, he has also been appointed as the chief executive officer of SYM ITO Sales & Distribution Company Limited. He is a director of certain subsidiaries of the Company as well.

Mr. Chan possesses over 40 years of professional experience in marketing, sales, distribution and management in fast-moving consumer goods with multi-national corporations such as LVMH, British American Tobacco and Imperial Tobacco Group.

He holds an EMBA degree awarded jointly by the Business School of The Hong Kong University of Science and Technology and the Kellogg School of Management of Northwestern University. He has also attended management courses at Stanford Law School, Harvard Business School and the Wharton School.

Mr. Lee Cheung Ming, aged 53, joined the Group in September 2014 and has been appointed as an Executive Director on 1 January 2019. He is responsible for the property development and investment in the PRC of the Group. He is also a director of certain subsidiaries of the Group.

Mr. Lee possesses over 20 years of experience in hotel and real estate development cum investment in the PRC. He completed a business administration course with the Beijing Economy Management Distance Learning College.

Mr. Lee is the brother-in-law of Mr. Cheng Tun Nei, the chairman of the Board and substantial Shareholder, and the uncle of Mr. Cheng Chun Lung, the vice president for Business Development of the Company.

Ms. Fung Kim Wan Ewim, aged 61, joined the Group in July 2014 and has been appointed as an Executive Director on 6 December 2024, is currently responsible for overseeing the financial services business of the Group. Ms. Fung is also a director of certain subsidiaries of the Group.

With over 35 years of experience in business administration, operational and customer relationship management, Ms. Fung has been one of the key management members of a leading tobacco company in Hong Kong. Her main responsibilities include supervising and managing the distribution of products for the duty-free business. She graduated from the City College of Commerce in the discipline of business studies.

Biographies of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Yu Chun Alexander, aged 78, has been appointed as an Independent Non-executive Director since 15 December 2014 and is the chairman of the Audit Committee and a member of the Remuneration Committee.

Mr. Chow possesses over 45 years of experience in commercial, financial and investment management in Hong Kong and mainland China. He is currently also an independent non-executive director of CSC Holdings Limited (formerly known as China Strategic Holdings Limited) (HKSE: 235). Furthermore, he was also an independent non-executive director of Aquis Entertainment Limited (ASX: AQS), a company listed on Australian Securities Exchange, since 2015 and retired from the position in April 2022. He was also an independent non-executive director of Playmates Toys Limited (HKSE: 869) from 11 July 2007 to 19 May 2023.

Mr. Shum Pui Kay, aged 76, has been appointed as an Independent Non-executive Director since 27 November 2013 and is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Shum possesses over 40 years of experience in the retailing and distribution of luxurious goods. He was instrumental in the establishment and expansion of the renowned French leather good brand Longchamp in the Asia Pacific region and has served as the Chairman of the Asia Pacific region of the brand Longchamp since 1978.

Mr. Wah Wang Kei Jackie, aged 58, has been appointed as an Independent Non-executive Director since 27 November 2013 and is a member of each of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee.

Mr. Wah graduated from The University of Hong Kong in 1990 and was qualified as a solicitor in 1992. Up until 1997, he was a partner of a Hong Kong law firm. He was previously an executive director and the company secretary of CST Group Limited (formerly known as NetMind Financial Holdings Limited) (HKSE: 985) before his resignation on 30 June 2023.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Chan Chun Yeung Darren, aged 43, joined the Group as financial controller in June 2020, currently serves as the chief financial officer of the Company.

Previously, Mr. Chan has held positions of executive director, financial controller, company secretary, authorised representative and compliance officer in two different Hong Kong listed companies. He has almost 20 years of working experience in accounting and finance. He is also knowledgeable in corporate governance and company secretarial matters. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Hong Kong Chartered Governance Institute ("**HKCGI**") and The Chartered Governance Institute. He graduated from the University of British Columbia earlier with a Bachelor of Commerce degree and later from the Hong Kong Polytechnic University with a Master of Corporate Governance degree.

Ms. Liu Li-jun, aged 54, joined the Group in December 2014, currently serves as the general manager of Shenyang Park Outlets and Xiamen Park Outlets.

Ms. Liu has 34 years of experience in business operation and management. She possesses extensive experience and practical skills in luxury product distribution and management, administration, property and human resources management. Since 2016, she has been responsible for the overall operation of Shenyang Park Outlets. Under her stewardship, Shenyang Park Outlets was awarded various honours. She graduated from the School of Continuing Education, Northeastern University major in financial management.

Mr. Cheng Chun Lung, aged 25, joined the Group in August 2020, currently serves as vice president for Business Development. He oversees the Group's Investment and Business Development projects worldwide and heads the Group's Japanese sake brewery's sales and operations. Prior to joining the group, he has gained experience in the garment manufacturing industry with ITOCHU Corporation as well as FMCG sales and marketing with Japan Tobacco International.

Mr. Cheng graduated with a Bachelor of Science degree in Physics with Theoretical Physics from Imperial College London in the United Kingdom. He is the son of Mr. Cheng Tun Nei, the Chairman and an Executive Director, and the nephew of Mr. Lee Cheung Ming, an Executive Director.

Mr. Yeh Tung-ming, aged 59, joined the Group in September 2017, currently serves as the general manager of Chongqing Metro No. 3 Mall.

Mr. Yeh has over 35 years of experience in business operation and management. He possesses extensive experience in retail management, including department stores, shopping malls and commercial properties. He graduated from China Maritime College in the discipline of ocean science.

Ms. Xu Qiang, aged 47, joined the Group in March 2018, currently serves as the general manager of Tianjin Metro No. 9 Mall.

Ms. Xu has been engaged in commercial services and management for 20 years, possessing extensive experience in approaching clients for and operation of shopping malls, marketing and property management. She graduated from Liaoning University major in business administration.

Biographies of Directors and Senior Management

Mr. Tsui Shing Lung Eric, aged 48, joined the Group in February 2011 and is currently the general manager of Supremium Bio-Technology Limited under the Group.

Mr. Tsui possesses over 20 years of operations and management experience in retail, wholesale, manufacturing and business development across various industries including consumer electronics, duty-free goods and healthcare products in the PRC, Taiwan and Hong Kong. He holds a Diploma of Business Management from Hong Kong Baptist College (now known as Hong Kong Baptist University).

Mr. Toshiya Shimada, aged 59, joined the Group in February 2021, currently serves as the chief strategy officer of "SKINS", mainly responsible for the overall strategies and manufacturing functions for "SKINS".

He graduated from Kobe University of Commerce and started his career with ITOCHU Corporation in 1988. For over 35 years he has been specialising in garment manufacturing and brand marketing aspects, Mr. Shimada had been working as heads of different sections/branches of ITOCHU companies in Japan, the United States and Korea.

Mr. Wan Shing Lung, aged 49, joined the Group in January 2020, currently serves as the General Manager of China Rise Securities Asset Management Company Limited ("**China Rise Securities Asset Management**", a subsidiary of the Company). Mr. Wan is also one of the licensed responsible officers in respect of Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities under the SFO for China Rise Securities Asset Management.

Mr. Wan possesses over 20 years of management and operation experience in finance industry, as well as acting as representatives and responsible officers in respect of regulated activities under the SFO for various securities firms. He graduated with a Bachelor of Business degree in Finance and Economics from The University of Wollongong in Australia.

Mr. Fung Wang Yuen, aged 44, joined the Group in September 2019, currently serves as the Chief Investment Officer of China Rise Securities Asset Management. Mr. Fung is also one of the licensed responsible officers in respect of Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities under the SFO for China Rise Securities Asset Management.

Mr. Fung possesses over 15 years of working experience in financial analysis, as well as acting as representatives in respect of regulated activities under the SFO for securities firms. He graduated with a Bachelor of Science degree in Applied Chemistry from Hong Kong Baptist University.

Mr. Tam Sik Wai, aged 29, joined the Group in January 2023 and is currently the company secretary of the Company.

Mr. Tam holds a degree of Master of Corporate Governance from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University). Mr. Tam is an associate member of each of The Chartered Governance Institute and HKCGI. Mr. Tam is also a holder of the Practitioner's Endorsement issued by HKCGI. Prior to joining the Group, he worked in a professional firm providing regulatory compliance, corporate governance and company secretarial services to listed and non-listed corporations and served as the company secretary of a company listed on the Stock Exchange.

Directors' Report

The Directors would like to present the Annual Report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group mainly consist of:

– Branding: (i) development and management of "SKINS" trademarks; and (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;

– Retailing: (i) property investment and holding; and (ii) management and operation of outlet malls; and

– Financial services: provisions of securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services.

The principal activities of the Company's principal subsidiaries are set out in Note 45 to the consolidated financial statements and an analysis of the performance of the Group for the Year by operating segments is set out in Note 6 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group including the challenges faced and ways to tackle them together with a discussion of the Group's future development are provided in the Chairman's Statement on pages 3 to 4 and Management Discussion and Analysis on pages 5 to 9 of the Annual Report. An analysis of the Group's performance during the Year is included in the Management Discussion and Analysis on pages 5 to 9. A description of the financial risks including but not limited to foreign currency risk, interest rate risk, credit risk, liquidity risk, equity price risk could be found in the Management Discussion and Analysis on pages 5 to 9 and Note 38 to the consolidated financial statements. A discussion of the Group's environmental policies and performance is provided in the ESG Report on pages 39 to 75 of this Annual Report. The above sections form part of the Report of Directors.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 82 to 83 of the Annual Report.

The Board recommended the payment of a final dividend of HKD0.005 (2023: HKD0.005) per Share to the Shareholders in respect of the Year, in total of approximately HKD14,871,000 (2023: approximately HKD14,871,000). The final dividend proposed after the end of reporting period was not reflected as dividend payable in the consolidated financial statements as at 31 December 2024 and 2023.

The proposed final dividend is expected to be paid on or about 8 September 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on 15 August 2025. The payment of dividend is subject to the approval of Shareholders at the Annual General Meeting to be held on 20 June 2025.

To the knowledge of the Company, as at 31 December 2024, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

PROPERTY, PLANT AND EQUIPMENT

The Group's leasehold land and buildings were revalued at 31 December 2024. The revaluation resulted in a surplus of approximately HKD23.9 million which was credited directly to the properties revaluation reserve.

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

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on pages 214 to 215 of the Annual Report.

INVESTMENT PROPERTIES

The Group's investment properties as at 31 December 2024 were fair valued by an independent firm of professional property valuers. The net decrease in fair value of approximately HKD34.9 million was debited directly to profit or loss.

Details of movements in the investment properties of the Group during the Year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the Year are set out in Note 34 to the consolidated financial statements.

BONUS WARRANT

On 18 March 2016, the Company announced a proposed bonus issue of warrants on the basis of one warrant for every five shares held on the record date (i.e. 17 June 2016). On 6 July 2016, approximately 539,733,000 units of warrants were issued. Each warrant entitles the holder thereof to subscribe in cash for one share at the initial subscription price of HKD1.00 per share subject to adjustments. The warrants are exercisable at any time during a period of three years commencing from the date of issue of the warrants (i.e. 6 July 2016). Details of the bonus warrants are disclosed in the Company's circular dated 29 April 2016.

On 5 July 2019, the subscription right to exercise the warrants for subscribing the shares of the Company granted to its qualifying shareholders was expired.

RESERVES

Details of movements in the reserves of the Company during the Year are set out in the consolidated statement of changes in equity on pages 86 to 87 of this Annual Report and Note 36 of the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The reserves of the Company available for distribution to the Shareholders as at 31 December 2024 and 2023 were as follows:

	2024	2023
	HKD'000	HKD'000
Share premium	**1,071,657**	1,071,657
Contributed surplus	**586,774**	586,774
Accumulated loss	**(338,626)**	(245,895)
	1,319,805	1,412,536

Under the Companies Act 1981 of Bermuda (as amended), the balances in a company's contributed surplus and share premium accounts are available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of the assets of the Company would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's share premium account may be applied to pay up unissued Shares to be issued to the Shareholders as fully paid bonus shares.

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

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

SHARE OPTION SCHEME

A share option scheme (the "**2023 Scheme**") was adopted by the Company on 23 June 2023 to continue to provide incentives and/or rewards to the participants, by way of granting options. The 2023 Scheme will remain in force for a period of 10 years commencing from the adoption date to give participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole.

Under the 2023 Scheme, the Directors may at their discretion grant options to eligible participants ("**Eligible Participants**") including:

(i) the directors, chief executive and employees of the Company or any of its subsidiaries;

(ii) the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and

SHARE OPTION SCHEME *(Continued)*

(iii) any person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including (a) suppliers of services to any member of the Group; and (b) advisors (professional or otherwise) or consultants to any area of business or business development of any member of the Group, but for the avoidance of doubt excludes placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity ("**Service Providers**").

As at the date of this Annual Report, the total number of Shares which may be issued upon the exercise of all options to be granted under the 2023 Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company shall not exceed 297,422,523, representing approximately 10.0% of the issued Shares ("**Scheme Mandate Limit**"). Within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 29,742,252 Shares, representing approximately 1.0% of the total issued Shares ("**Service Provider Sublimit**").

The total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any 12-month period up to the date of grant shall not exceed 1% of the total issued Shares at the date of grant ("**Individual Limit**"). Where it is proposed that any offer is to be made to an Eligible Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the 12-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting.

The offer of a grant of options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the options granted is determined by the Board, save that such a period shall not be more than 10 years from the date of offer of the options subject to the provisions for early termination as set out in the 2023 Scheme.

Unless otherwise determined by the Board at its sole discretion, an option must be held by the Option Holder for at least 12 months before the Option can be exercised.

The exercise price of the options is determinable by the Board, but shall not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the options which must be a trading day; and

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer.

No options have been granted under the 2023 Scheme since its adoption. The remaining life of the scheme is 8 years.

SHARE OPTION SCHEME *(Continued)*

During the Year and the Comparable Year, no share option was granted, exercised, cancelled, or lapsed and as at the date of this Annual Report, there was no outstanding share option under the 2023 Scheme adopted by the Company.

The number of options available for grant under the Scheme Mandate Limit of the 2023 Scheme as at 1 January 2024 and 31 December 2024 were 297,422,523 and 297,422,523 respectively. The number of options available for grant under the Service Provider Sublimit of the 2023 Scheme as at 1 January 2024 and 31 December 2024 were 29,742,252 and 29,742,252 respectively.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF

As at 31 December 2024, according to the laws of Bermuda, holders of listed securities of the Company are not entitled to tax relief for their status as the holder of such securities.

EQUITY-LINKED AGREEMENTS

Other than the 2023 Scheme, no equity-linked agreements that will or may result in the Company issuing shares or requiring the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the Year or subsisted at the end of the Year.

Details of the 2023 Scheme are set out in the section headed "Share Option Scheme" in this Annual Report.

DIRECTORS

The Directors of the Company during the Year and up to the date of the Annual Report were:

Executive Directors

Mr. Cheng Tun Nei *(Chairman & Chief Executive Officer)*
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming
Ms. Fung Kim Wan Ewim *(appointed on 6 December 2024)*

Independent Non-executive Directors

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

The Directors' biographical details are set out in the section headed "Biographies of Directors and Senior Management" in this Annual Report.

Information regarding Directors' emoluments is set out in Note 11 to the consolidated financial statements. An annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules has been received from each of the Independent Non-executive Directors. The Company considered that all the Independent Non-executive Directors were independent, and that no family, material or other relevant relationships existed between any of them. In addition, save as disclosed in the Directors' biographies, none of the Directors was related to any of the others.

DIRECTORS' SERVICE CONTRACT

All the Executive Directors have respectively entered into a service contract with the Group.

None of the Directors who are proposed for re-election at the Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

During the Year, no contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she shall or may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that the indemnity shall not extend to any matter in respect of their own fraud or dishonesty.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the Year and up to the date of this Annual Report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, the interests and short positions of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Director	Capacity/ Nature of interest	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of the issued share capital
Cheng Tun Nei ("**Mr. Cheng**")	Beneficial owner	167,040,000	1,300,830,000	43.74%
	Interest in a controlled corporation	1,133,790,000	*(Note 1)*	
Chan Kar Lee Gary	Beneficial owner	11,000,000	11,000,000	0.37%
Lee Cheung Ming ("**Mr. Lee**")	Beneficial owner	91,050,000	93,050,000	3.13%
	Interest of spouse	2,000,000	*(Note 2)*	
Fung Kim Wan Ewim	Beneficial owner	99,040,000	99,040,000	3.33%
Shum Pui Kay	Beneficial owner	10,000,000	10,000,000	0.34%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

Long positions in the Shares *(Continued)*

Notes:

1. Mr. Cheng owned the entire issued share capital of Goldsilk Capital Limited ("**Goldsilk**"). As at 31 December 2024, Goldsilk was directly interested in 1,133,790,000 Shares. Together with his direct interest as beneficial owner of 167,040,000 Shares, Mr. Cheng was deemed to be interested in 1,300,830,000 Shares in total.

2. Mr. Lee was directly interested in 91,050,000 Shares and he was deemed to be interested in 2,000,000 Shares held by his spouse. He was thus deemed to be interested in 93,050,000 Shares in total.

Save as disclosed above, (1) none of the Directors or chief executives of the Company or their associates had or was deemed to have any interests or short positions in the shares of the Company, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register which were required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; and (2) none of the Directors of the Company or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this Annual Report, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Year or at the end of the Year.

DIRECTORS'/CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this Annual Report, no transactions, arrangements or contracts that are significant to the Group's business to which any of its subsidiaries was a party and in which a Director or controlling shareholder of the Company or his/her/its connected person had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors and their respective close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, the following interests and short positions of 5% or more of the issued share capital and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the Shares

Shareholder	Capacity/ Nature of interest	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of the issued share capital
Mr. Cheng	Beneficial owner	167,040,000	1,300,830,000	43.74%
	Interest in a controlled corporation	1,133,790,000	*(Note 1)*	
Goldsilk	Beneficial owner	1,133,790,000	1,133,790,000 *(Note 1)*	38.12%
Or Ching Fai ("**Mr. Or**")	Beneficial owner	350,000,000	470,000,000	15.80%
	Interest held jointly with another person	120,000,000	*(Note 2)*	
Wong Lai Ning ("**Madam Wong**")	Interest held jointly with another person	120,000,000	470,000,000 *(Note 2)*	15.80%
	Interest of spouse	350,000,000		

Notes:

1. As at 31 December 2024, Goldsilk was directly interested in 1,133,790,000 Shares and Goldsilk is wholly owned by Mr. Cheng. Together with his direct interest as beneficial owner of 167,040,000 Shares, Mr. Cheng was thus deemed to be interested in 1,300,830,000 Shares.

2. As at 31 December 2024, Mr. Or was directly interested in 350,000,000 Shares and he also held 120,000,000 Shares jointly with his spouse, Madam Wong. Therefore, Mr. Or and Madam Wong were deemed to be interested in 470,000,000 Shares.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the Shares or underlying shares of the Company as at 31 December 2024.

CHARITABLE DONATIONS

During the Year, the Group made charitable and other donations totaling approximately HKD62,000 (2023: approximately HKD108,000).

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Executive Directors are reviewed by the Remuneration Committee and determined by the Board, having regard to the Group's operating results, individual performance and prevailing market condition. The emoluments of the Independent Non-executive Directors are reviewed by the Remuneration Committee and determined by the Board.

No Director or any of his or her associates was involved in deciding his or her own remuneration.

PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the Year and up to the date of this Annual Report.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 26 to 38 of the Annual Report.

MAJOR CUSTOMERS, SUPPLIERS AND DISTRIBUTORS

During the Year, sales to the Group's five largest customers accounted for approximately 12% (2023: approximately 11%) of the total sales for the Year and sales to the largest customer included therein amounted to approximately 3% (2023: approximately 3%). The Group's five largest suppliers accounted for approximately 70% (2023: approximately 69%) of the Group's total purchases and amount which approximately 34% (2023: approximately 43%) is attributed to the largest supplier for the Year.

The Group's largest supplier that accounts for approximately 34% of the total purchases is a supplier of compression apparel products based in Hong Kong.

To the best knowledge of the Directors, none of the Directors or any of their close associates or any Shareholders who holds more than 5% of the Shares has any interests in the customers and suppliers disclosed above.

We are committed to offer a broad and diverse range of life-style, value-for-money and good quality products with our brands to our customers. We stay connected with our customers through maintaining VIP database, ongoing communications, telephone, emails, marketing materials and social media. Training are also provided to sales personnel to provide quality and value-added customer services.

In addition, the Group will continue to widen the customer base by utilizing and maximizing current network.

We have developed long-standing relationships with our suppliers and take great care to ensure that they share our commitment to quality and ethics. We carefully select and assess our suppliers through track record, experience, reputation and ability to provide quality products.

We distribute certain products to end customers through third-party distributors. We work with our distributors like business partners and ensure that they also share our view for upholding brand value and customer services, specifically focusing on attracting and retaining customers in order to drive sales growth. We also monitor regularly the financial position and repayment history of these distributors and their sales performance.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group entered into the following transactions which constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules:

(i) On 29 December 2021, a margin financing agreement was entered into between Mr. Cheng Tun Nei ("**Mr. Cheng**") (a director and a substantial shareholder of the Company) together with Goldsilk Capital Limited ("**Goldsilk**") (a company wholly-owned by Mr. Cheng) and China Rise Securities Asset Management Company Limited ("**China Rise**") (an indirect wholly-owned subsidiary of the Company), pursuant to which China Rise agreed to grant Mr. Cheng (together with Goldsilk) the margin loan amount of up to HKD17,000,000 for a fixed term of three years commencing from 1 January 2022 to 31 December 2024. Details of which are disclosed in the Company's announcement dated 29 December 2021.

The maximum outstanding balance of margin loans provided by China Rise to Mr. Cheng (together with Goldsilk) during the Year was approximately HKD16.6 million.

A new margin financing agreement was entered into between Mr. Cheng together with Goldsilk and China Rise on 30 December 2024 and the aggregate margin financing loan facility was set at HKD15,000,000 for a fixed term of three years commencing from 1 January 2025 to 31 December 2027. Please refer to the announcement of the Company dated 30 December 2024 for details.

(ii) On 29 December 2021, a margin financing agreement was entered into between Ms. Fung Kim Wan Ewim ("**Ms. Fung**") (a director of certain subsidiaries of the Company as at the date of the agreement, and was subsequently appointed as a director of the Company on 6 December 2024) and China Rise, pursuant to which China Rise agreed to grant Ms. Fung the margin loan amount of up to HKD10,000,000 for a fixed term of three years commencing from 1 January 2022 to 31 December 2024. Details of which are disclosed in the Company's announcement dated 29 December 2021.

The maximum outstanding balance of margin loans provided by China Rise to Ms. Fung during the Year was approximately HKD7.7 million.

A new margin financing agreement was entered into between Ms. Fung and China Rise on 30 December 2024 and the aggregate margin financing loan facility was set at HKD10,000,000 for a fixed term of three years commencing from 1 January 2025 to 31 December 2027. Please refer to the announcement of the Company dated 30 December 2024 for details.

(iii) On 29 December 2021, a margin financing agreement was entered into between Mr. Lee Cheung Ming ("**Mr. Lee**") (a director of the Company) and China Rise, pursuant to which China Rise agreed to grant Mr. Lee the margin loan amount of up to HKD15,000,000 for a fixed term of three years commencing from 1 January 2022 to 31 December 2024. Details of which are disclosed in the Company's announcement dated 29 December 2021.

The maximum outstanding balance of margin loans provided by China Rise to Mr. Lee during the Year was approximately HKD11.6 million.

A new margin financing agreement was entered into between Mr. Lee and China Rise on 30 December 2024 and the aggregate margin financing loan facility was set at HKD15,000,000 for a fixed term of three years commencing from 1 January 2025 to 31 December 2027. Please refer to the announcement of the Company dated 30 December 2024 for details.

CONTINUING CONNECTED TRANSACTIONS *(Continued)*

The transactions disclosed under paragraphs (i) to (iii) adhere to the margin financing policy of a subsidiary of the Company, which is defined as per guidance from the SFC. All transactions (including but not limited to exposure limit and margin loan outstanding) are subject to review and monitoring on a daily basis by the responsible officer of such subsidiary, whereby margin calls if any shall be followed up with remedial action accordingly.

Save as disclosed above, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

The Independent Non-executive Directors have reviewed the above continuing connected transactions and have confirmed that the continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and are in the interests of the Shareholders as a whole.

BDO Limited, the Company's auditor, was engaged to report on the Group's disclosed continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions as disclosed in Note 43 to the consolidated financial statements, all transactions (save as disclosed) which also constitute connected transactions or continuing connected transactions are fully exempted connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules in relation to any connected transactions and continuing connected transactions.

MARKET CAPITALISATION

As at the end of the Year, the market capitalisation of the listed securities of the Company was approximately HKD2,409,122,438.73 based on the total number of 2,974,225,233 issued shares of the Company and the closing price of HKD0.81 per share on 31 December 2024 (the last trading day of the Year).

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in Note 30 to the consolidated financial statements.

PLEDGE OF ASSETS

Details of the pledge of assets of the Group are set out in Note 30 to the consolidated financial statements.

RETIREMENT BENEFITS PLANS

Details of the Group's retirement benefits plans are set out in Note 42 to the consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

(1) The Annual General Meeting is scheduled to be held on Friday, 20 June 2025. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of members of the Company on 20 June 2025 will be entitled to attend and vote at the Annual General Meeting. In order for a Shareholder to be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 June 2025.

(2) For determining the entitlement to the final dividend for the Year, the register of members of the Company will be closed from Monday, 11 August 2025 to Friday, 15 August 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 8 August 2025.

AUDITOR

The financial statements have been audited by BDO Limited who will retire, and being eligible, offer themselves for reappointment. A resolution will be proposed at the Annual General Meeting to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Cheng Tun Nei
Chairman

Hong Kong, 31 March 2025

Corporate Governance Report

The Company firmly believes in the value and importance of achieving high standard of corporate governance through transparency, independence and accountability, as well as an effective risk and internal control system. With the merger and acquisition of new businesses, the corporate governance system is constantly reviewed, meticulously re-assessed and necessarily updated at appropriate time, by the Board to ensure that shareholders' and stakeholders' interests are safeguarded.

CORPORATE GOVERNANCE PRACTICE

The Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules throughout the Year except for the following deviations:

– Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Cheng Tun Nei ("**Mr. Cheng**") currently serves as both the Chairman and Chief Executive Officer of the Company. In view of the evolving business environment in which the Group operates, the Board is of the view that vesting the roles of both the Chairman and Chief Executive Officer of the Company on Mr. Cheng will provide the Group with strong and consistent leadership while enabling more effective and timely business planning and decision-making process.

– As at the date of this Annual Report, all Independent Non-executive Directors have served on the Board for more than nine years. Pursuant to code provision B.2.4(b) of the CG Code, the Company should appoint a new independent non-executive director on the Board. The independence of the Independent Non-executive Directors had been assessed in accordance with the applicable Listing Rules. After considering the confirmations of independence of the Independent Non-executive Directors, their skills, knowledge, professionalism and experience and their commitment to their role as Independent Non-executive Directors in the past years, the Board (including the Nomination Committee) is of the view that (a) the long tenure of the existing Independent Non-executive Directors has not undermined their abilities to provide independent, balanced and objective views to the Board and, on the contrary, has been instrumental in facilitating communication among board members since they are able to provide unbiased opinion and tailored advice as they have gained a deep understanding of the Group's business and operation over time by virtue of their long tenure; (b) their commitment to the responsibilities of the Independent Non-executive Directors, valuable business experience, knowledge and professionalism are tremendous assets of the Board, which had fostered and will continue to foster the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies; and (c) all the existing Independent Non-executive Directors remain independent pursuant to Rule 3.13 of the Listing Rules. Whilst the Board does not have any current arrangement to appoint a new independent non-executive director on the Board, it will review on an on-going basis to propose new or additional appointment of independent non-executive director(s) as and when appropriate.

SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, each of them confirmed his compliance with the required standard set out in the Model Code for the Year.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

Promoting good corporate governance and managing enterprise-wide risk is a priority of the Company. The Company is convinced that corporate governance and Directors and Officers Liability Insurance (the "**D&O Insurance**") complement each other. The Company has arranged appropriate D&O Insurance coverage on Directors' and officers' liabilities in respect of legal actions against directors and senior management arising out from corporate activities. The D&O Insurance will be reviewed and renewed annually.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises seven members, consisting of four Executive Directors and three Independent Non-executive Directors. They include persons with a wealth of practical experiences in securities and financing, investment, business management, sales, distribution and management in fast-moving consumer goods, properties management and legal profession. There is a balance of skills and experiences appropriate for the requirements of the business of the Company. The composition of the Board complies with Rules 3.10 and 3.10A of the Listing Rules. The current composition of the Board is set out as follows:

Executive Directors

Mr. Cheng Tun Nei *(Chairman & Chief Executive Officer)*
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming
Ms. Fung Kim Wan Ewim *(appointed on 6 December 2024)*

Independent Non-Executive Directors

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

Mr. Lee Cheung Ming, an Executive Director, is the brother-in-law of Mr. Cheng Tun Nei, the Chairman of the Board. The biographical details of the Directors are set out in the section of "Biographies of Directors and Senior Management" on pages 10 to 14 of this Annual Report.

Roles and Responsibilities

The Board is responsible for leading, directing and supervising the Group's affairs to enable the long-term success of the Group. It sets strategic objectives with focus on value creation and risk management. It also ensures the adequacy of resources, staff qualifications and experience for achieving internal control and transparency requirements.

The Board has established a set of board diversity policy setting out the approach to achieve diversity on the Board aiming at enhancing its effectiveness and corporate governance as well as achieving our business objectives and sustainable development. Board diversity has been considered from a number of aspects, including but not limited to age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The current Board consists of a diverse mix of Board members appropriate to the requirement of the business of the Company.

Executive Directors are involved in the day-to-day operations of the Group. Independent Non-executive Directors are involved in scrutinising the Group's performance in achieving agreed corporate goals and objectives and monitor performance reporting process. As they are not involved in the daily management of the Group, they bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Their presence helps to enhance the Board's balance of skills, experience and diversity of perspectives.

BOARD OF DIRECTORS *(Continued)*

Roles and Responsibilities *(Continued)*

The Board has delegated the authority and responsibility for implementing business strategy and managing day-to-day administration and operations of the Group's business to the Chief Operating Officer and the senior management. While granting management with substantial autonomy to run and develop the business, the Board is proactive in reviewing the results of the delegated functions and work tasks on an ongoing basis.

All Board members have separate and independent access to the Company's management to fulfil their duties, and upon reasonable request, to seek independent professional advice under appropriate circumstances and at the Company's expenses. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. Board meetings are structured so as to encourage open discussion, frank debate and active participation by Directors in meetings. The Company provides the Board with such information and explanations as are necessary to enable Directors to make an informed assessment of the financial and other information put before the Board. Queries raised by Directors are answered fully and promptly. Meeting agenda accompanied by the relevant Board/committee papers are distributed to the Directors/committee members with reasonable notice in advance of a Board meeting. Minutes of board meetings and meetings of board committees, which recorded in sufficient detail the matters considered by the Board and decisions reached thereat, including any concerns raised or dissenting views expressed by any Director, are kept by the company secretary and open for inspection by the Directors.

Attendance Records

Details of the attendance of the Board members are as follows:

	Number of meetings attended				
Directors	**Board Meeting**	**Annual General Meeting**	**Audit Committee Meeting**	**Renumeration Committee Meeting**	**Nomination Committee Meeting**
Executive Directors					
Mr. Cheng Tun Nei	4/4	1/1	N/A	N/A	1/1
Mr. Chan Kar Lee Gary	4/4	1/1	N/A	N/A	N/A
Mr. Lee Cheung Ming	4/4	1/1	N/A	N/A	N/A
Ms. Fung Kim Wan Ewim *(appointed on 6 December 2024)*	1/1	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Shum Pui Kay	4/4	1/1	2/2	1/1	1/1
Mr. Wah Wang Kei Jackie	4/4	1/1	2/2	1/1	1/1
Mr. Chow Yu Chun Alexander	4/4	1/1	2/2	1/1	N/A

BOARD OF DIRECTORS *(Continued)*

Continuous Professional Development

Every newly appointed Director will receive briefing and professional development so as to ensure that he has appropriate understanding of the Group's business and of his duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

Ms. Fung Kim Wan had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 December 2024 before her appointment became effective, and she had confirmed that she understood her obligations as a director of a listed issuer.

The Company also provides regular updates and presentation on the business development of the Group. The Directors are regularly briefed on the latest development of the Listing Rules and other applicable statutory requirements to ensure compliance and upkeep of good corporate governance practices. All Directors are encouraged by the Company to participate in continuous professional development to develop and refresh their professional knowledge and skills.

To enable them to be kept abreast of the latest changes in the business, legal and regulatory environment in which the Group conducts its business, the Company provides continuous professional training to Directors through circulating Stock Exchange and regulatory updates to Directors.

Directors	Directors' Training*
Executive Directors	
Mr. Cheng Tun Nei	✓
Mr. Chan Kar Lee Gary	✓
Mr. Lee Cheung Ming	✓
Ms. Fung Kim Wan Ewim *(appointed on 6 December 2024)*	✓
Independent Non-executive Directors	
Mr. Shum Pui Kay	✓
Mr. Wah Wang Kei Jackie	✓
Mr. Chow Yu Chun Alexander	✓

* including regular information updates and reading materials relating to regulatory updates

Independence of Non-executive Directors

The Company confirms that the Board has received from each of the Independent Non-executive Directors, namely, Mr. Shum Pui Kay, Mr. Wah Wang Kei Jackie and Mr. Chow Yu Chun Alexander, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and, having taken into account the factors as set out in Rule 3.13 of the Listing Rules in assessing the independence of Independent Non-executive Directors, the Company considers that all Independent Non-executive Directors are independent.

Appointment and Re-election of Directors

Under the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation and re-election at least once every three years.

BOARD OF DIRECTORS *(Continued)*

Appointment and Re-election of Directors *(Continued)*

Each of the executive Directors, Mr. Cheng Tun Nei, Mr. Chan Kar Lee Gary, Mr. Lee Cheung Ming and Ms. Fung Kim Wan Ewim has entered into a service contract with the Group and is subject to the requirement to retire by rotation at least once every three years.

All Independent Non-executive Directors of the Company were not appointed for a specific term but are subject to the requirement to retire by rotation at least once every three years.

CHAIRMAN AND CHIEF EXECUTIVE

The Chairman is responsible for the management of the Board and external corporate communication whereas the chief executive is responsible for the day-to-day operation, among other matters, the implementation of overall strategy and direction set by the Board.

Mr. Cheng Tun Nei currently serves as both the Chairman and Chief Executive Officer of the Company. In view of the evolving business environment in which the Group operates, the Board is of the view that vesting the roles of both the Chairman and Chief Executive Officer of the Company on Mr. Cheng will provide the Group with strong and consistent leadership while enabling more effective and timely business planning and decision-making process.

BOARD COMMITTEES

The Board has established three committees namely the Audit Committee, the Remuneration Committee and the Nomination Committee with defined terms of reference, which are in line with the CG Code, for overseeing the respective aspects of the Company's affairs. All committees comprise a majority of Independent Non-executive Directors.

Audit Committee

The Audit Committee was established in accordance with written terms of reference accessible on the websites of the Company and the Stock Exchange.

The Audit Committee oversees the audit process and provides an independent review of the effectiveness of the financial reporting process and the internal control procedures. The chairman of the Audit Committee possesses appropriate accounting or related financial management expertise as required under the Listing Rules.

The Audit Committee currently consists of three Independent Non-executive Directors. The chairman of the committee is Mr. Chow Yu Chun Alexander and the members are Mr. Shum Pui Kay and Mr. Wah Wang Kei Jackie.

For the Year, the Audit Committee held two meetings and by way of the written resolutions to discuss and review with the external auditor and senior management for, inter alia, the interim and annual results of the Group and approve the appointment of internal audit and its scope of services. The work performed by the Audit Committee during the Year included: (i) discuss of the accounting principles and practices being adopted together with auditing and financial reporting matters; (ii) discuss of the nature and scope of the audit and determined the scope and extent of the interim review with the external auditor; (iii) review of the interim and annual financial statements of the Group, including true and fairness, integrity and significant financial reporting judgements contained therein; and (iv) review of and recommendations to the Board on the re-appointment of the external auditor after considering on the terms of engagement of the external auditor.

The Audit Committee also reviewed the risk management and internal control systems of the Group with an independent internal audit service provider for the Year. No material findings had been identified.

BOARD COMMITTEES *(Continued)*

Audit Committee *(Continued)*

Auditor's Remuneration

A summary of remuneration paid to the external auditor of the Company, BDO Limited, for the audit services and non-audit services for the Year is as follows:

	2024 HKD'000
Nature of services	
Audit services	1,380
Non-audit services	140

The Group's external auditor is BDO Limited, their independence is a fundamental governance principle. The lead audit partner of BDO Limited is subject to rotation every seven years pursuant to the International Federation of Accountants rules on independence of external auditors. As part of the rotation, the current lead audit partner was first appointed for the 2021 financial year end audit. Significant non-audit services during the Year provided by external auditors included agreed-upon procedure services in relation to the interim financial statements.

Remuneration Committee

The Remuneration Committee was set up with written terms of reference posted on the websites of the Company and the Stock Exchange to assist the Board in achieving its objectives of attracting, retaining and motivating the highest calibre and experience needed to shape and execute the business strategies across the Group in order to maximise the shareholder value.

The Remuneration Committee currently consists of three Independent Non-executive Directors. The chairman of the Remuneration Committee is Mr. Wah Wang Kei Jackie and the members are Mr. Shum Pui Kay and Mr. Chow Yu Chun Alexander.

During the Year, the Remuneration Committee held one meeting and by way of written resolutions to consider and approve the following matters: (i) reviewed and recommended the remuneration packages of individual Executive Directors, considering the experience, qualifications, business performance, market practices and competitive market conditions, which the recommended remuneration package is performance-based and includes salaries, discretionary bonus and share options; (ii) made recommendations to the Board on the remuneration of Non-executive Directors; and (iii) reviewed and approved matters relating to share schemes under Chapter 17 of the Listing Rules. The Non-executive Directors are compensated fairly with reference to their effort and time dedicated to the Board.

Details of Director's and the five highest paid individuals (including the Directors) during the Year are set out in Note 11 to the consolidated financial statements.

During the Year, the remuneration of the senior management by band is set out below:

Remuneration Band	Number of persons
HKD500,000 or below	3
HKD500,001 to HKD1,000,000	5
HKD1,000,001 to HKD1,500,000	2

BOARD COMMITTEES *(Continued)*

Nomination Committee

The Nomination Committee was established with written terms of reference accessible on the websites of the Company and the Stock Exchange and responsible for reviewing and providing recommendations to the Board on the nomination policy, evaluate and assess the optimal composition of the Board, considering the Group's strategies and objectives and take up a key role in recruitment of board members.

The Nomination Committee currently consists of one Executive Director and two Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Cheng Tun Nei while Mr. Shum Pui Kay and Mr. Wah Wang Kei Jackie are the members.

During the Year, the Nomination Committee held one meeting and by way of written resolutions to consider and approve the following matters: (i) reviewed the structure, size and composition of the Board; (ii) assessed the independence of Independent Non-executive Directors; (iii) made recommendations to the Board on the renewal of service terms of individual Executive Directors; and (iv) made recommendations to the Board for the re-election of the retiring Directors at the annual general meeting of the Company held on 28 June 2024.

Nomination and Appointment of Directors

The nomination policy for the Directors is embedded in the Nomination Committee's terms of reference. The policy stipulates the nomination, appointment, re-appointment of Directors and the nomination procedures of the Company, which provides that in evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the candidates' high ethical character with reputation for integrity, professional qualifications, skills, knowledge and experience, independence, diversity on the Board, willingness to devote adequate time to discharge the director's duties, any potential contributions the candidate can bring to the Board and such other perspectives that are appropriate to the Company's business.

During the Year, the Board reviewed its composition, the retirement and re-appointment of Directors. Save as Ms. Fung Kim Wan Ewim's appointment as an Executive Director on 6 December 2024, no new Director was appointed.

COMPANY SECRETARY

Mr. Tam Sik Wai ("**Mr. Tam**") has been appointed as the company secretary of the Company since 1 March 2023.

Mr. Tam confirms that he has complied with the requirements under Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE FUNCTION

In order to achieve enhanced corporate governance of the Company, the Board has committed to constantly review the Company's policies and practices on corporate governance, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct and compliance manual applicable to employees and the Directors, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. During the Year, the Board performed the duties relating to corporate governance matters as aforementioned.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk identification and control is the Board's responsibility. When the Board pursues the Group's long-term strategic objectives, it also deals with internal control issues including the Group's risk appetite, risk and return trade-offs, risk management and internal control systems.

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification

– Identifies risks that may potentially affect the Group's business and operations, the category of risks include but not limited to compliance risk, operational risk, media risk, legal risk, health, safety and environmental risk, market risk, financial risk and climate changes; and

– Through the daily communication between the Management and the business units, from bottom to top, and paying attention to the development and change of international and domestic political and economic situation, identify other risks that may have a potential impact on the Group's business and operation.

Risk Assessment

– Assesses the risks identified by using the assessment criteria developed by the management; and

– Considers the impact on the business and the likelihood of risk occurrence.

Risk Response

– Prioritises the risks by comparing the results of the risk assessment;

– Determines the risk management strategies and internal control procedures to prevent, avoid or mitigate the risks;

– Strengthens the monitoring and warning function of the internal control and risk management systems continuously based on the result of risk assessment, including providing business with risk control rules and standards, business-based risk scenarios and coping strategies, customised solutions; and

– Provides different trainings according to the needs of different groups of people, including anti-fraud/anti-corruption training for key personnel, etc., promotion of compliance culture and enhance risk prevention awareness and risk alert capability of all staff.

Risk Monitoring and Reporting

– Establishes hierarchical supervisory responsibilities in the Group to ensure that risk monitoring is objective and effective;

– Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control procedures are in place;

– Revises the risk management strategies and internal control procedures in case of any significant change of situation; and

– Reports the results of risk monitoring to the management and the Board regularly.

RISK MANAGEMENT AND INTERNAL CONTROLS *(Continued)*

Procedures are designed to identify and manage risks that might adversely impact the Group's business operations. Through the establishment of policies and internal guidelines such as the approval of detailed operational and financial reports, budgets and plans provided by the management of the business operations; inhouse code for the approval and control of expenditures; periodic review of actual results against budget or forecast; annual review by the Audit Committee of the ongoing work of the Group's internal audit and risk management functions, the effectiveness of the internal control systems is ensured.

An independent service provider was appointed to assist the Board to monitor the effectiveness of the risk management and internal control system of the Group. The service provider performed annual risk management and internal control review of the procedures, systems and controls of the Company in accordance with "Internal Control Integrated Framework". A risk management and internal control review report was submitted to the Audit Committee and the Board on a half-yearly basis so that remedial actions can be taken by formalizing management policies to manage external and internal risks in a systematic and timely manner.

Compliance procedures are in place to ensure adherence to the applicable laws, rules and regulations in particular, those with significant impact on the Group. As far as the Company is aware of, the Group has complied, in material respect, with the relevant rules and regulations promulgated by the relevant regulatory bodies to which the Group operates its business in and holds the relevant required licences for conducting certain licensed activities.

The Company is committed to achieving and maintaining the highest corporate cultures of openness, probity and accountability. Whistleblowing policy and anti-corruption policy are in place to create a system for the employees and business partners to report directly to the management in confidence for any serious concerns of the Company about suspected fraud, corruption and bribery and other improprieties. Investigations will be conducted according to procedures and the identity of whistleblower will be kept confidential. The Group will take accountability into practice according to the investigation results.

All Directors and those employees who could have access to, and monitor, the information of the Group, are responsible for making appropriate precautions to prevent abuse or misuse of such information. Employees of the Group are prohibited from using inside information for their own benefit. The Board is also vested with the responsibility to disseminate to the Shareholders and the public any inside information in the form of announcements, in accordance with the Listing Rules.

Internal Control Procedures for the Money Lending Business

Business model of the Money Lending Business

The money lending business of the Group (the "**Money Lending Business**") offers both secured and unsecured loans to borrowers comprising individuals and corporations. The Money Lending Business generates revenue and profit by way of providing loans in returns to earn interest income from the borrowers. The key business processes are as follows:

(i)	Customer assessment:	–	Verification of borrower information, perform know-your-client procedures and preliminary loan assessment
(ii)	Loan approval:	–	Assessment of borrowers' creditability, recoverability and value of collateral (if any)
		–	Approval of loan applications in accordance to internal guidelines
(iii)	Loan repayment follow-up:	–	Monitoring of repayment status and update of internal records

RISK MANAGEMENT AND INTERNAL CONTROLS *(Continued)*

Internal Control Procedures for the Money Lending Business *(Continued)*

Major terms of loans granted, size and diversity of clients and concentration of loans on major clients

To diversify the clients and lower the concentration of loans portfolio, the borrowers of the Money Lending Business included individuals and corporations from different industries. As at 31 December 2024, approximately 48% of the borrowers of the Money Lending Business was corporate borrowers and approximately 52% was individual borrowers. These borrowers mostly were acquired through referrals and introductions from the senior management of the Company.

As at 31 December 2024, all loans were secured by collateral, among which approximately 47% of the total loan receivables was due from the largest borrower.

Internal Control Procedures

The Money Lending Business has adopted a credit risk policy which includes compliance with the applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment for the use of proceeds and the source of repayment.

The following summary sets out the general guidelines to assess the credit worthiness and repayment ability of potential borrowers:

(A)	Identity proof	–	such as identity card and passport (for individuals) and business registration certificate, certificate of incorporation and the constitutional documents (for corporations) must be provided for verification;
(B)	Address proof	–	such as utility bills, bank/credit card statements or formal correspondence issued by a government or statutory body is required to be produced;
(C)	Repayment ability assessment	–	to assess and justify the repayment ability of the borrower, criteria such as availability of guarantor, the financial background of the borrower, and guarantor, where applicable and any other relevant information are to be considered; and
(D)	Credit worthiness assessment	–	For all borrowers, their creditability would be assessed before and after the loans are granted. Factors including but not limited to the applicant's background information, purpose of the loan, age of the applicant, encumbrances on the collateral, employment status and financial information of the applicant, liquidity and marketability of the collateral, shall be considered when conducting credit assessment. For corporations, online searches from data available from on the Companies Registry shall be conducted. For loans secured by properties, land search from data available from on the Hong Kong Land Registry shall be arranged as appropriate.

Based on the above procedures, the Group considers that the credit risk and the risk of breaching the relevant laws and regulations in connection with anti-money laundering or anti-terrorist financing of the Money Lending Business is relatively low. Nonetheless, the Money Lending Business has in place measures to mitigate the risk of money laundering or terrorist financing risk of potential borrowers' businesses, such as the nature and details of the business/occupation/employment of the potential borrower; the anticipated level and nature of the activity that is to be undertaken through the relationship, location of potential borrower; the expected source and origin of the funds to be used in the relationship; and the initial and ongoing source(s) of wealth or income.

RISK MANAGEMENT AND INTERNAL CONTROLS *(Continued)*

Internal Control Procedures for the Money Lending Business *(Continued)*

Internal Control Procedures *(Continued)*

At each month end, the designated loan officer will check if there is overdue balances or late payment and perform a review on the loans portfolio and closely monitor the status and report to the senior management.

There would be internal discussions on a case-by-case basis on what recovery actions to be taken so that the Group could recover the most in a timely manner. Means like phones calls, seizure of collaterals, statutory demand letter and further legal actions would be discussed. Reminder letter and statutory demand letter will be issued to the borrower when consider appropriately if there is overdue repayment. Where appropriate, legal action would be initiated against the borrower for the recovery of the amount due and taking possession of the collateral pledged. Seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for winding-up of the borrower and/or guarantor.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group, in accordance with accounting principles generally accepted in Hong Kong. The statement by the auditors of the Company about their responsibilities for the consolidated financial statements is set out in the "Independent Auditors' Report" contained in this Annual Report.

SHAREHOLDERS' COMMUNICATION

The Board recognises the importance of maintaining an effective two-way communication with its stakeholders. The Company has adopted a shareholders communication policy (the "**Shareholders Communication Policy**") setting out the principles of the Company in relation to shareholders' communications, with the objectives of ensuring a transparent and timely communication with the Shareholders and the investment community via various means including but not limited to, publication of financial reports and announcements.

Information in relation to the Group is disseminated to the Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the websites of the Stock Exchange and the Company at www.symphonyholdings.com.

The Company's general meetings are a valuable forum for the Board to communicate directly with the Shareholders and to answer questions that Shareholders may raise. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

To solicit and get feedback from Shareholders, the Company provides Shareholders with channels to express their views on matters affecting the Company including the Hong Kong Branch Share Registrar of the Company, Tricor Tengis Limited, for enquiries on shareholdings and the company secretary of the Company for direct questions, request for publicly available information and provide comments and suggestions.

Investor/analysts briefings and media interviews, marketing activities for investors and specialist industry forums etc. will be attended (where necessary) in order to facilitate communication between the Company, Shareholders and the investment community.

The Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy including steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place, and considered that the Shareholders Communication Policy has been properly implemented during the Year and is effective.

CONSTITUTIONAL DOCUMENTS

During the Year, no change was made to the constitutional documents of the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group realises the importance of environmental protection in pursuing long-term sustainability. In particular, the Group promotes water and energy saving, recycling of materials at its offices such as putting up notices in the restrooms and pantry reminding staff members to save water, switching off idle lightings, air-conditioning and electrical appliances. The Group also encourages the use of recycle papers and two-sided printing. The Group is committed to improving environmental sustainability and will closely monitor the performance. The ESG Report of the Company is included on pages 39 to 75 of the Annual Report.

DIVERSITY

Board Diversity Policy

The Board has established a set of board diversity policy (the "**Board Diversity Policy**") setting out the approach to achieve diversity on the Board aiming at enhancing its effectiveness and corporate governance as well as achieving our business objectives and sustainable development.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of services. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the board.

The Nomination Committee shall review the Board's composition under diversified perspectives, and monitor the implementation of the Board Diversity Policy annually.

Board Gender Diversity

The current Board consists of a diverse mix of Board members appropriate to the requirement of the business of the Company. As at the date of this Annual Report, the Board comprises six male Directors and one female Director. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Company targets to avoid a single gender Board by having at least one director of each gender when the total number of directors does not exceed ten. The Board will maintain such gender diversity through applying its Board Diversity Policy and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Company and its Nomination Committee would take into account diversity perspectives including gender diversity in assessing potential Board member candidates. The Board is also characterised by significant diversity, whether considered in terms of gender, age, educational background, professional experience, skills, knowledge and length of service.

Workforce Gender Diversity

As at 31 December 2024, the Company maintained the workforce (including senior management of the Company) gender ratio at approximately 9 male per 10 female. The Company has already achieved gender diversity and will timely review the gender diversity of the workforce in accordance with the business development of the Group because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the Company, which include market insight, and creativity and innovation. Male's and female's different experiences may provide insights into the different needs of male and female customers. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labour and female workers are more often seen on positions that require creativity and innovation such as marketing), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

SHAREHOLDERS' RIGHTS

Procedures for Convening Special General Meetings by Shareholders

Pursuant to bye-law 58 of the Bye-laws, the Board may whenever it thinks fit call special general meetings.

Special general meetings shall also be convened on the requisition of 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 having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the company secretary of the Company by mail at 10/F., Island Place Tower, 510 King's Road, North Point, Hong Kong for the purpose of requiring a special general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in accordance with the provision of section 74(3) of the Companies Act 1981 of Bermuda.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow bye-law 58 of the Bye-laws for including a resolution at a special general meeting. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening Special General Meetings by Shareholders".

DIVIDEND POLICY

The Company aims to provide stable and sustainable dividends to the Shareholders, linked to the earning performance of its business. The Board considers the Company's future business funding need and the Company's financial position when deciding the dividend amount to be paid.

To give flexibility to the Board in making payout decisions after having regard to the circumstances then pertaining, the dividend policy does not specify any payout ratio, the form of dividends shall take. The policy will be subject to review by the Board from time to time and be updated as and when considered necessary.

Environmental, Social and Governance Report

INTRODUCTION

Purpose of the Report

Symphony Holdings Limited ("**Symphony Holdings**" or the "**Company**") and its subsidiaries (collectively, the "**Group**", "**we**" or "**us**") are pleased to publish the Environmental, Social and Governance Report (the "**Report**") in 2024. The Report aims to allow our stakeholders to have a better understanding of and greater confidence in the Group through the disclosure of the Group's significant progress and remarkable achievements in economic, environmental and social aspects during the period from 1 January to 31 December 2024 (the "**Reporting Period**" or "**2024**") and presentation of the sustainable development vision of the Group. In addition, the Group hopes to advance our environmental, social and governance ("**ESG**") performance through sustainable development.

Reporting Scope

Unless otherwise stated, the reporting scope of the Report covers the principal operation of the Group, including:

- Hong Kong group companies;
- China Rise Securities Asset Management Company Limited ("**China Rise Securities**");
- Shenyang Park Outlets ("**Shenyang Park Outlets**");
- Xiamen Park Outlets ("**Xiamen Park Outlets**");
- Supremium Bio-Technology Limited ("**SBT**"); and
- the business of retailing and sourcing services of compression sportswear brand (the "**Brand Business**").

The reporting scope for the Year was further expanded by including SBT which is engaged in the health care business. We believe the above activities represent the Group's major impact on economic, environmental and social aspects during the Reporting Period.

Basis of the Report

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reporting Principles

The Report has been prepared in accordance with the following four reporting principles contained in the ESG Reporting Guide.

Materiality	Quantitative	Consistency	Balance
We take into account the nature of our business and concerns, and engage consultants to conduct stakeholder surveys to identify and assess important sustainability issues. Please refer to the "Communication with Stakeholders" section for details.	We collect data systematically where practicable, disclose key environmental and social performance indicators in a quantitative manner, and specify the basis for the calculation method.	The Report uses the same methodology as that of last year and provides necessary explanations on any changes in methodology and reporting scope to ensure that readers can compare our performance with that of last year.	This Report should present the comprehensive information of the Group on unbiased and objective principles, stating current achievements and also disclosing present and future challenges, and continuously review aspects that can be improved.

INTRODUCTION *(Continued)*

Access to the Report

This Report forms a part of the Annual Report of the Group and has been prepared in Chinese and English, both of which can be accessed at the website of the Company http://www.symphonyholdings.com/tc/report. In case of any discrepancy between the Chinese and English versions, the Chinese version prevails.

Opinions and Feedback

We highly value feedback from stakeholders on our sustainability performance and this Report. You are welcome to send your opinions and suggestions on the contents of this Report, the reporting method or the sustainability performance of the Group as a whole, by email at investor@symphonyholdings.com.

SUSTAINABILITY GOVERNANCE STRUCTURE OF SYMPHONY HOLDINGS

To demonstrate the Group's commitment to sustainable development, we have established a governance framework for sustainable development, which clearly defines the roles and responsibilities of the various departments, ensuring the effective implementation and development of all matters and issues related to sustainable development.

SUSTAINABILITY GOVERNANCE STRUCTURE OF SYMPHONY HOLDINGS *(Continued)*

The Board is responsible for decision making, review, approval and monitoring of the ESG-related matters, which include the development of the Group's ESG strategies, assessment of ESG materiality issues, identification of and response to ESG-related risks, follow-up on the progress to ESG-related targets and indicators, and also review of ESG report. Besides, the Board has established the Environmental, Social and Governance Working Group ("**ESG Working Group**") to assist in the planning and implementation of ESG-related matters. The ESG Working Group consists of 4 key department heads with the following main functions:

- To closely monitor and submit to the Board the latest ESG requirements in the market, and advise the Board on ESG directions
- To communicate objectives formulated by the Board to all business departments
- To promote the integration of sustainability philosophy into the daily operation of all business departments
- To co-ordinate and implement corporate social responsibility related work
- To facilitate the Board in reviewing and monitoring the progress of implementation
- To ensure the appropriateness of environmental, social and governance positioning, directions and data for the Group

Internal Control and Risk Management

We acknowledge that risk management and internal control have a great importance to sustainable development. Therefore, we have incorporated relevant concepts into our daily operations. The Group's risk management structure consists of the management and business departments, in order to ensure that we can comprehensively identify and manage risks. In addition, the Audit Committee of the Company reviews the Group's risk management and internal control systems annually with an independent internal review consultant. For details of the Group's risk management and internal control system, please refer to the section headed "Risk Management and Internal Control" under the "Corporate Governance Report" in the 2024 Annual Report of the Group.

COMMUNICATION WITH STAKEHOLDERS

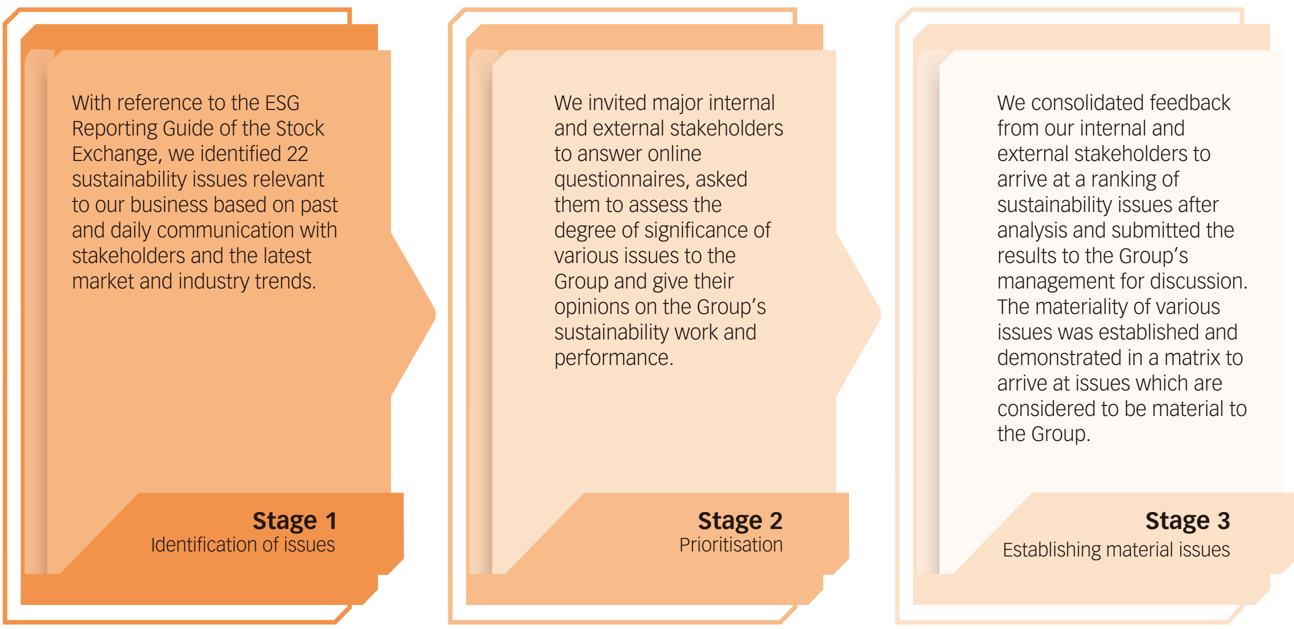
The Group attaches great importance to the valuable opinions of stakeholders. We maintain close communications with major stakeholders including customers, shareholders, employees, suppliers, business partners, government departments and regulators through diversified channels, so to collect their opinions and suggestions on the Group and enable us to make continuous improvements with regard to sustainability. Details on the channels for communication are set out as follows:

Stakeholders	Means of communication
Employees	(1) Performance evaluation (2) Departmental briefings (3) Training and workshops (4) Safety meetings (5) Recreational activities (6) Team building activities (7) Regular union activities (8) Questionnaires
Customers	(1) Communication in daily operations (2) WeChat official account (3) Customer interviews and feedback collection (4) Public events
Suppliers	(1) Suppliers performance evaluation (2) Business meetings (3) Site visits (4) Questionnaires
Shareholders and investors	(1) Annual general meetings (2) Announcements and circulars (3) Group website (4) Financial reports (5) Results announcements (6) Questionnaires
Government authorities and regulators	(1) Work reports (2) Application approval and response (3) Communication in meetings
Other business partners	(1) Communication in daily operations (2) Regular meetings (3) Questionnaires

MATERIALITY ASSESSMENT

By conducting a materiality assessment, we are able to identify certain sustainability issues relating to the Group which are of greater concern to our stakeholders. In addition to the above communication channels, we also engaged an independent third-party consultant to conduct a materiality assessment on stakeholders during the Reporting Period, and arranged an online questionnaire to understand the concerns of our stakeholders, thus ensuring that such topics can be covered in our sustainability focus and information disclosure, and also reflecting our commitment towards minimising any negative environmental and social impacts.

In order to provide a more concise overview of the Group's ESG-related issues, we have incorporated the key issues from last year and identified other issues which are of more importance to the Group, with reference to the ESG Reporting Guide of the Stock Exchange of Hong Kong and the latest industry trends, to formulate a list of the ESG issues for this year. The materiality assessment process is shown in the charts below:



MATERIALITY ASSESSMENT *(Continued)*

ESG Issues

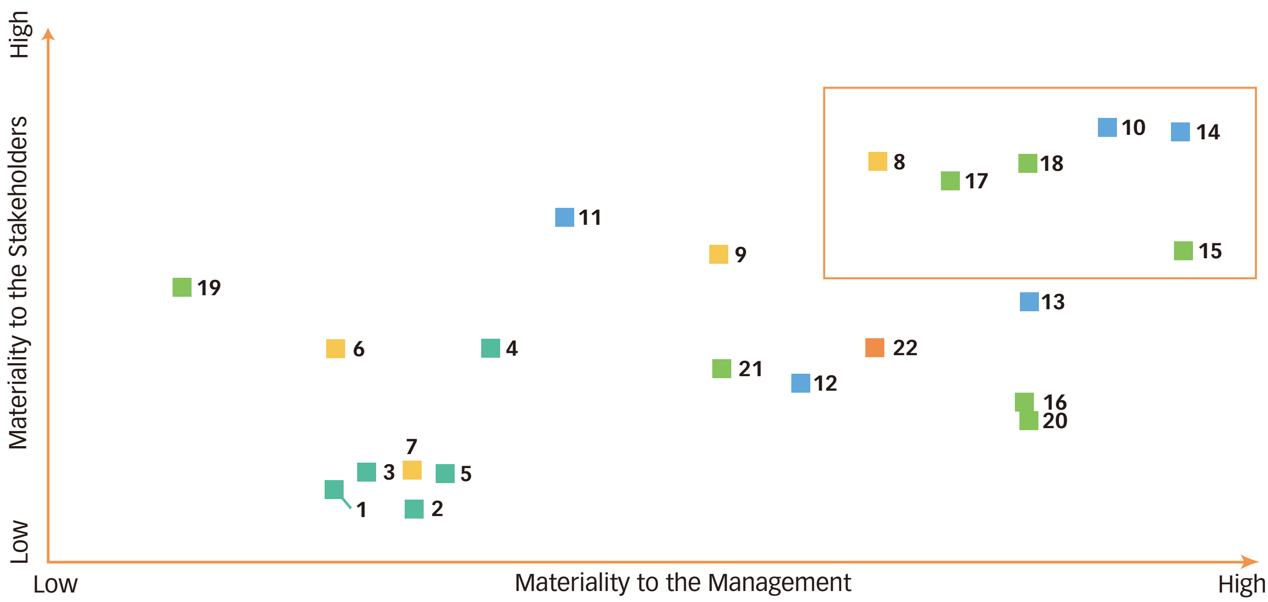
Product and Service Responsibility	Operational Practices
(1) Product and service quality (2) Customer services (3) Management of intellectual properties (4) Marketing and advertisements (5) Data protection and network security	(6) Social risks in the supply chain (7) Anti-corruption (8) Economic performance (9) Business expansion
Working Environment	**Environmental Protection and Green Operation**
(10) Employee benefits (11) Equal opportunities, diversity, anti-discrimination (12) Occupational health and safety (13) Staff development and training (14) Employment compliance	(15) Air emissions (16) Waste management (17) Carbon emission and energy (18) Water resource management (19) Climate change risks (20) Green purchasing (21) Environmental risks in the supply chain
Community Contribution	
(22) Community investment	

MATERIALITY ASSESSMENT *(Continued)*

ESG Issues *(Continued)*

The Group conducted a questionnaire in relation to the materiality assessment from September to December 2024. Through the online questionnaire, we gained a comprehensive understanding of the ESG issues of concern to our stakeholders and also their opinions and suggestions on the ESG report for the previous year. The results of the materiality assessment are presented in the following materiality matrix:

Materiality Matrix



The 6 issues in the upper right quadrant are identified through the assessment to be of greatest concern to our stakeholders, and will be the focus of our disclosures in this Report.

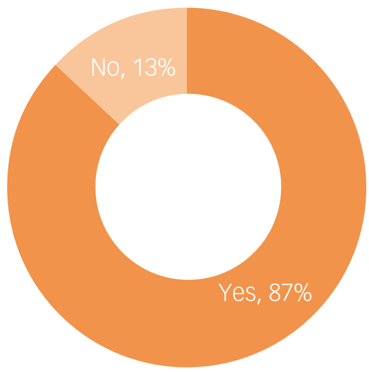
MATERIALITY ASSESSMENT *(Continued)*

Stakeholders' Feedback on the ESG Report for the Previous Year

1. Average score for the Group's sustainability performance in 2023 given by stakeholders:

9.5/10

2. Stakeholders' feedback on whether the Group has sufficient channels to share the approach, policies and achievements of our ESG work with internal and external stakeholders:



3. Stakeholders' opinions on the Group's specific approach and information disclosure:

Stakeholder feedback: The Group's plan for the next three years, the development prospects of employees and their chances for promotion.

Group response: In light of the global economic uncertainty at present, the Group will engage in its operations with a more prudent attitude over the next three years by focusing on risk management and strengthening the core competencies. The Group will seize every possible opportunity in an ever-changing market. We regard employees as valuable assets to the Group's development and will closely monitor their performance. And we will promote the right candidates to suitable positions, giving full play to their potentials.

Stakeholder feedback: Hope the Group can shoulder more corporate social responsibility and contribute more to the society.

MATERIALITY ASSESSMENT *(Continued)*

Stakeholders' Feedback on the ESG Report for the Previous Year *(Continued)*

3. Stakeholders' opinions on the Group's specific approach and information disclosure: *(Continued)*

Group response

"Repaying our gain from society back to society" - as a listed company, the Group is fully aware the importance of corporate social responsibility. With the support of our employees and of our commitment to communities and stakeholders, the Group actively fulfills its corporate social responsibility. Over the years, the Group made generous donations to support charity organizations including Yan Chai Hospital and the Society for the Relief of Disabled Children. Looking forward, the Group will continue to intensify our efforts to deepen and expand our corporate social responsibility fulfillment through actions and investing resources to support charity organizations.

Stakeholder feedback

Disclose as much information as possible about the Company's strategies and approaches, actions and contributions, corporate social responsibilities, charitable donations and cooperation with industry peers.

Group response

As a Hong Kong listed company, the Group regularly discloses all information required by law and makes annual reports on corporate social responsibility. In addition, the Group publishes an internal newsletter on a quarterly basis to review the business development of each department, and encourages department heads to hold regular face-to-face meetings to enhance internal communication and information sharing.

Stakeholder feedback

Please make sure employees entitled to new statutory leave promulgated by the State as scheduled, such as Only-child Care Leave, Parental Leave, etc.

Group response

The Group ensures that all employees enjoy leave policies in compliance with local labour laws and regulations.

PROVIDING CUSTOMERS WITH QUALITY SERVICES AND PRODUCTS

The Group values customer support and opinions as an important driving force for our long-term development. Therefore, we are committed to providing our customers with quality and reliable services, in an effort to build partnerships with mutual trust and benefit. In order to better meet the needs of our customers and create greater value for our customers, the Group gains in-depth insight into and proactively keeps abreast of the market conditions through various channels, and continues to optimise our products and services. In the product responsibility aspects such as product and service quality, health and safety, advertising, labelling and privacy protection, the Group has developed a comprehensive management system to regulate our daily operations, so as to provide solid safeguard for our customers.

To ensure business compliance in an all-round manner, the Group also always strictly complies with all relevant laws and regulations in places where we operate, including but not limited to the Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》), and the Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》). During the Reporting Period, the Group did not experience any product recall due to safety and health reasons, nor any breach of laws and regulations relevant to product safety and health, advertising promotion and product labelling, etc.

Operations Management

Outlet Business

At the present stage, the Group has established partnerships with more than 300 renowned international brands in our Shenyang and Xiamen Park Outlets to satisfy the diverse shopping needs of our visitors. In addition, we have set up a series of ancillary services such as establishment of children's playground to provide a joyful environment for families with children, and at the same time have taken steps to optimise our recreational facilities to create a comfortable atmosphere, ensuring that our visitors can enjoy quality one-stop leisure and entertainment services.

Upholding a patient and proactive attitude, we conducted in-depth communications with various customer groups such as outlet tenants and visitors on a regular basis to collect their valuable opinions, with an aim to further improve service quality and implement our operation philosophy of "people-first, ethical business, strict management, service excellence". To enhance the leisure, entertainment and shopping experience of our customers, we always make it our priority to maintain the high quality of our brand tenants and pay close attention to the environment of our outlets. We carry out a comprehensive and exhaust review process covering examining business permits, brand registration certificates, licensing certificates and other supporting documents, before allowing any new tenants to join us. We have established sound policies in relation to the tenants to ensure that all products sold have been approved and licensed by the relevant regulatory authorities, offering our visitors peace of mind and quality service experience. Meanwhile, we have adequate and experienced staff stationed in the outlets, to render customer service to tenants and visitors in a timely manner and also promptly deal with any on-site emergencies or accidents.

PROVIDING CUSTOMERS WITH QUALITY SERVICES AND PRODUCTS *(Continued)*

Operations Management *(Continued)*

Outlet Business *(Continued)*

We continue to provide visitors with a welcoming leisure and shopping experience, striving to make them truly feel at home. During the Reporting Period, we hosted a variety of recreation and performance activities in the outlets, including but not limited to intangible cultural heritage kite culture exhibition, pets adoption day and baby crawling race.

Intangible cultural heritage kite culture exhibition

Pets adoption day

Family event – Baby crawling race

Park Oulets shopping and dining tour group

Park Outlets children's roller skating competition

Park Outlets large-scale match-making event

PROVIDING CUSTOMERS WITH QUALITY SERVICES AND PRODUCTS *(Continued)*

Operations Management *(Continued)*

Brand Business

The Group currently manages the world-renowned compression sportswear brand "SKINS". As the owner of internationally renowned brands, we are dedicated to supplying customers with quality products by ensuring that all products sold are safe and reliable and have been approved by the relevant authorities, so as to cater to diverse needs and strengthen the position of our brand as international market leader.

Securities Business

China Rise Securities, a subsidiary of the Group, is principally engaged in securities business, and is currently licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. We are able to provide our customers with services in securities dealing, margin financing, placing, underwriting, project investment, corporate consultancy, investment consultancy and asset management. We have established an effective set of internal control procedures to protect the Group, customers and employees from financial loss as a result of theft or fraud and other dishonest acts, professional misconduct or negligence. Our internal control procedures include, without limitation, account opening and account closing process, customer risk assessment, customer due diligence, transaction monitoring, payment process, trading system security protection, phone record management, suspicious transaction monitoring and reporting, and record retention. In addition, we also organise regular training for our staff to ensure that they are very familiar with regulations and standard operating procedures, so as to effectively protect the interests of both the Group and our customers.

Health care business

In this annual report, we have added the disclosure of SBT, which focuses on the R & D, production, distribution and wholesale of health care products. At present, SBT has a number of own brands and customer brands, and its products cover customers of different age-groups. In order to effectively and strictly monitor the whole manufacturing process of products, SBT established its own manufacturing plants and packaging factories in Hong Kong.

Putting customer health at the first place, SBT strictly controls the source of product raw materials and selects natural and top-quality raw materials to manufacture health care products. At the same time, SBT provides customers with healthy products by adhering to the philosophy of "safety" and "secure", and expanded the market with the vision of "high quality" and "high effectiveness".

SBT regards compliance operation as an indispensable requirement for corporate development in its business operations. The business development, decision-making, process advancement of SBT is in strict compliance with laws and regulations including "the Undesirable Medical Advertisements Ordinance" and "the Trade Descriptions Ordinance" as well as industry standards, to ensure its stable operation and sustainable development.

PROVIDING CUSTOMERS WITH QUALITY SERVICES AND PRODUCTS *(Continued)*

Sincerity in Customer Service

Whether in brand promotion, retail or financial services, we have always believed that customer feedback is key to our continuous improvement and in-depth understanding of market demand. Accordingly, we have established a variety of communication channels to maintain two-way communication with our customers and visitors.

Customer Service Center | Company Website | Customer Service Hotline | Email | Communication Software

The Group has established a well-developed complaint handling system, in order to comprehensively enhance customer experience and to effectively ensure our service quality. In doing so, we ensure that our relevant departments are able to promptly response to and handle all customer complaints or comments. The Group is also committed to resolving any issues raised by our customers in a sincere manner.

During the Reporting Period, the Group's outlet business, other brand business, securities business and health care business did not receive any customer complaints.

Privacy Protection

The Group always treats the protection of customer data and information privacy as a top priority, and also strictly complies with the requirements of the Personal Data (Privacy) Ordinance (《個人資料（私隱）條例》) in Hong Kong. Meanwhile, the Group has formulated the Confidentiality Policy, which clearly outlines relevant provisions on confidentiality of data. Employees are prohibited from disclosure of any information, technical data or other information to any third parties without the written consent of the Group. Furthermore, the Group has also proactively taken a series of precautionary measures to protect the data collected in its business, such as restricting the processing of customer data to persons with such authority to effectively prevent any illicit access to or disclosure of customer data.

PROVIDING CUSTOMERS WITH QUALITY SERVICES AND PRODUCTS *(Continued)*

Advertisement and Promotion

The Group believes in the importance of advertisement and promotion of products and services. We ensure customers' access to transparent and accurate information to protect their rights and interests, which is also key for us to earn the trust of our customers. To ensure that the Group fully complies with the Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》), Interim Measures for the Administration of Internet Advertisement (《互聯網廣告管理暫行辦法》), Law of the PRC on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and other applicable laws and regulations, the management of the Group is responsible for monitoring and approving the promotion materials for our outlet business and brand business. Meanwhile, we also engage external professionals to review the promotion materials and content of our projects before publication to ensure their accuracy and compliance with the legal requirements, so as to ensure that our advertising and promotion materials are free from misleading information or rights infringement.

Supply Chain Management

As customer satisfaction is highly dependent upon an effective supply chain and high quality products, we treat supply chain management as a top priority. We continuously monitor and optimise the supplier selection process, striving to select suppliers who share our environmental and social values and standards and actively fulfil our corporate social responsibilities together. In 2024, we worked with 406 (2023: 344) suppliers in mainland China to focus on reduction of greenhouse gas emissions generated from logistics and transportation. Before establishing partnerships with our suppliers, we will deliver a comprehensive and in-depth briefing on our sustainability philosophy to the suppliers and expressly state our expectations, so as to ensure that our suppliers will effectively implement our principles of sustainability in their operations.

In addition, the Company has established green procurement guidelines dedicated for administrative departments, in order to further promote green operations. The guidelines give priority to enterprises using environment-friendly materials or recycled materials when selecting office equipment suppliers. We also continue to explore and study the feasibility of incorporating environmental and social factors into our supply chain risk assessment system as well as the possibility to include these factors into our review of the supplier management guidelines.

Given the increasing market emphasis on supply chain transparency, it is of importance for the Group to ensure that our suppliers meet such environmental and social standards. We believe sustainability is not a solo effort of the Group, and the joint efforts of the Group and all our partners are essential. In light of the above, we have established product procurement policies and procedures, which require the Group to purchase products from qualified suppliers only. Meanwhile, we will also carry out spot checks on product quality from time to time to ensure that the quality of purchased products meets our specifications and expectations.

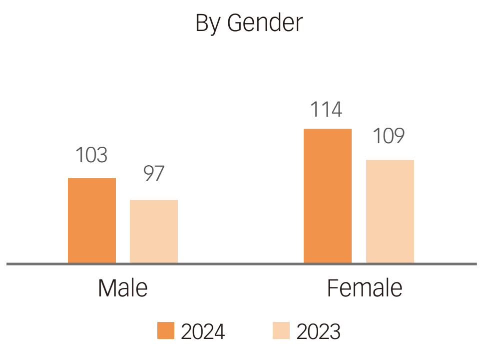
PEOPLE-FIRST APPROACH

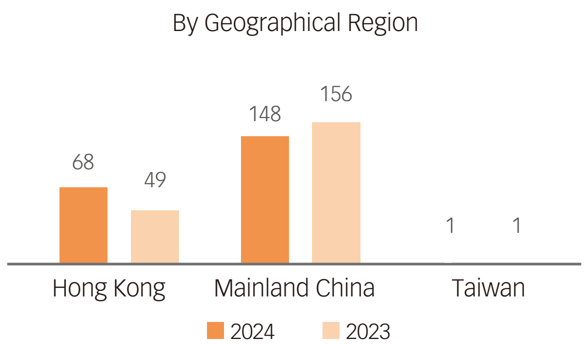
We firmly believe that a workforce of quality talents is essential for the booming development of our business and is valuable assets for the Group. To enhance employees' job satisfaction and sense of belonging, we proactively create a harmonious and pleasant working environment, thus building a professional business team to drive the sustainable growth momentum of the Group. The Group always strictly complies with all applicable laws and regulations in relation to employment, including but not limited to the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), Regulation on the Implementation of the Employment Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), Law of the People's Republic of China on Protection of Minors (《中華人民共和國未成年人保護法》), Regulations on the Prohibition of the Use of Child Labour (《禁止使用童工規定》), and Hong Kong's Employment Ordinance (《僱傭條例》) (Cap. 57 of the Laws of Hong Kong).

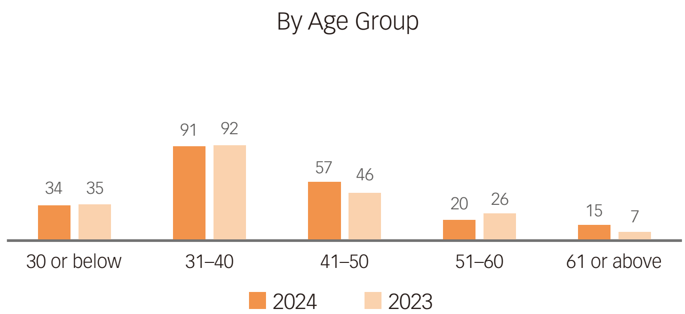
During the Reporting Period, the Group was not aware of any serious violations of employment-related laws and regulations.

Employee Statistics

As at 31 December 2024, we had a total of 217 employees (2023: 206 full-time employees), all being full-time employees. A breakdown of the number of employees by gender, age and geographic region during the Reporting Period and 2023 is as follows:



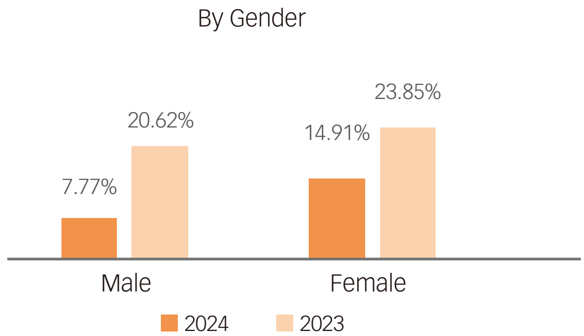


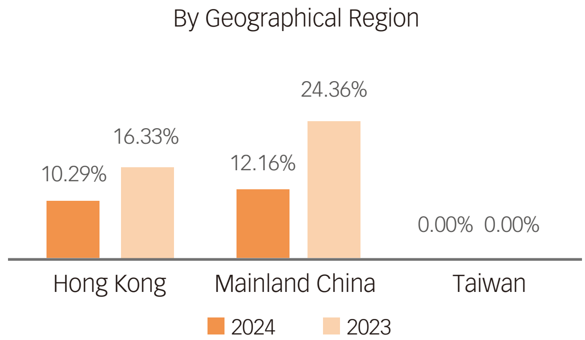


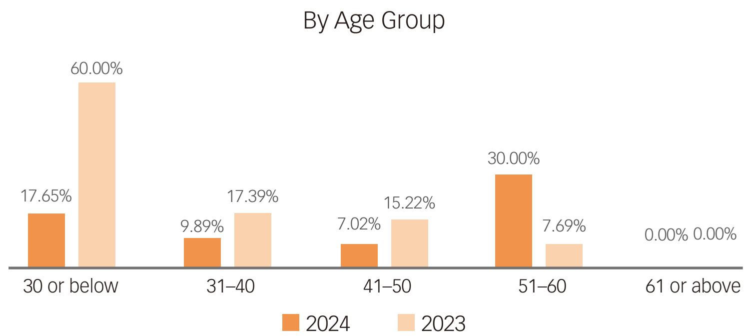
PEOPLE-FIRST APPROACH *(Continued)*

Employee Statistics *(Continued)*

Our employee turnover rate was 11.52%[1] (2023: 22%) during the Reporting Period. A breakdown of the employee turnover rate by gender, age group and geographical region is as follows:







Employment Compliance

The Group always takes a firm zero tolerance stance towards the employment of child labour and forced labour. During the recruitment process, the Human Resources Department will conduct vigorous verification of the identification information of the candidates before official employment to prevent use of child labour and forced labour from source. The Group will immediately terminate any contract with illegal labour and make reasonable compensation for any violation of laws. In addition, we provide employees who work overtime with overtime compensation and other related benefits in accordance with relevant laws, regulations and internal policies. The Group was not aware of any serious violations of child labour and forced labour laws and regulations during the Reporting Period.

Employee Welfare

High-calibre employees are essential for business growth and quality services. We understand the importance of attracting and retaining talented employees for business development. In terms of recruitment, we recruit talents from different backgrounds by leveraging on a combination of diverse channels such as online recruitment, on-site recruitment, job fair, internal recommendation, etc., and provide transparent and equal employment opportunities for all employees. The Group is committed to the principles of "openness, fairness and equity" and prohibits discrimination on the basis of age, nationality, race, religion, gender, marital status, pregnancy or disability, in an effort to create a harmonious, inclusive and diverse working environment and culture.

1 Employee turnover rate was calculated based on the number of employees as of the end of the Year.

PEOPLE-FIRST APPROACH *(Continued)*

Employee Welfare *(Continued)*

In addition, we offer attractive remuneration and benefit system to attract and retain talents, and strive to be the best employer by providing competitive remuneration packages and various benefits to our employees. We regularly review our remuneration packages to ensure that it is sufficiently competitive with our peers in the market and commensurate with the work experience and performance of employees. Besides, the Group conducts regular employee performance evaluations annually and the evaluation results are used as a fair and objective benchmark to award annual salary increases and discretionary bonuses to high-performance employees. Besides remuneration, we also attach great emphasis to work-life balance, and strive to create a harmonious working conditions for our employees. To enhance employee engagement and strengthen their sense of belonging, we offered the following benefits and activities for our employees during the Reporting Period, including but not limited to:

Leave

- Annual leave
- Sick leave
- Personal leave
- Wedding leave
- Bereavement leave
- Prenatal check-up leave
- Breastfeeding leave
- Companionship leave
- Miscarriage leave
- Examination leave
- Blood donation leave

Subsidies

- Allowance for high temperature
- Allowance for holidays
- Mobile phone allowance
- Meal allowance
- Medical insurance
- Free shuttle bus
- Overtime pay
- Annual body checkup

Incentives

- Year-end bonus
- Red envelop on the first working day after Chinese New Year
- First Prize
- Second Prize
- Commendation
- Merit
- Wedding gift
- Childbirth gift
- Birthday gift
- Hospitalisation/surgical benefit
- Movie tickets

Employee activities

- Hiking
- Tangyuan feast at Lantern Festival
- Giving flowers on Women's Day
- Fun and Sports Day
- New Year celebration
- Mooncake party on Mid-Autumn Festival
- Birthday party for employees
- Tug-of-war competition
- Park Outlets year-end party

PEOPLE-FIRST APPROACH *(Continued)*
Employee Welfare *(Continued)*

2024 Park Outlets year-end party


Staff fun sports games

PEOPLE-FIRST APPROACH *(Continued)*

Employee Relations and Team Building

The Group believes that continuous engagement with our employees and listening to their concerns are important to improve work morale and efficiency. Therefore, we strongly value interaction with our employees, seeking to understand their views thoroughly. We have developed diversified and stable communication channels, in order to facilitate smooth dialogue between the management and general employees. Currently, our employees can communicate with each other in our WeChat group and make constructive and valuable suggestions to the Group. Our Hong Kong office has established an "employee bulletin board" specifically where employees are encouraged to post their suggestions. We publish a quarterly internal newsletter for our staff in time, in order to ensure unified dissemination of corporate information and allow each department to be aware of the Company's latest updates. The Group also posts internal communications on a regular basis. Employees of Xiamen Park Outlets can communicate with the general manager through an electronic version of the "general manager's mailbox", and the general manager would reply on employees' email on the last Friday of each month to strengthen engagement and exchange of opinions between the management and employees.

Supporting Employee Development and Training

We believe that improving the skills of our employees helps create more value to our business. Therefore, we always attach close attention to the learning and development needs of our employees and provide diversified learning channels and development opportunities to our employees to enable them mastering frontier knowledge and skills. We have formulated internal and external training courses catering to the training needs of each department and the Group's business objectives. Internal training courses focus on working procedures, management knowledge and specific skills. We also provide incentives for external training to encourage employees to attend external training courses and embed emerging knowledge into routine practices, thus injecting fresh vitality into the company's development. During the Reporting Period, the training courses we arranged for our employees included but were not limited to:

- New employee orientation
- Anti-fraud training
- Project marketing and promotion
- Performance plan
- Cashier system
- Employees internal assessment
- Store examination and acceptance
- Fire safety
- Simple customer complaint handling
- Procedures for maintenance
- Fire emergency training
- Office software skills
- Etiquette training
- First aid
- Anti-money laundering training

PEOPLE-FIRST APPROACH *(Continued)*

Supporting Employee Development and Training *(Continued)*

The Group conducted over 13,476 (2023: over 4,790) hours of training during the Reporting Period and the average number of training hours per employee was approximately 55.69 (2023: 19.02) hours. The following is a breakdown of the percentage of training and the average number of training hours by gender and employee category for the Group during the Reporting Period and 2023:

Percentage of training received by gender

	2024	2023
Male	43.53%	44.31%
Female	56.47%	55.69%

Percentage of training received by employee category

	2024	2023
Senior management	3.53%	2.76%
Mid-level management	17.06%	26.21%
General and technical staff	79.41%	71.03%

Average training hours by gender (hours)

	2024	2023
Male	44.43	8.67
Female	65.23	27.99

Average training hours by employee category (hours)

	2024	2023
Senior management	517.86	2.70
Mid-level management	38.09	6.94
General and technical staff	24.43	25.15

Since 2023, we have also greatly increased examination leave to 10 days, allowing employees to apply for examination leave for up to three subjects in a year, in order to encourage their professional development and skills upgrading.

PEOPLE-FIRST APPROACH *(Continued)*

Protection of Employees' Health and Safety

The Group is committed to provide a safe workplace for its employees and take employees safety as its first priority. We have been strictly complied with the Law of the People's Republic of China on the Prevention of Occupational Diseases (《中華人民共和國職業病防治法》) and the Occupational Safety and Health Ordinance (《職業安全及健康條例》) of Hong Kong and other relevant laws and regulations, developed a comprehensive and meticulously designed safety and security framework, aim to holistically safeguard employees' physical and mental well-being and eliminate potential risks in the workplace. Of which, the occupational health and safety measures implemented by the Group include:

- Arrange body check-ups for eligible employees
- Establish the Fire Evacuation Drill Plan (《消防疏散演習預案》), conduct fire drills and training in a timely manner so that employees can be proficient in operating firefighting equipment and enhance their ability to respond to emergencies, hence improve the standards of accident prevention
- Regularly inspect fire pump rooms and facilities to ensure they are in a usable condition
- Formulate the Flood Emergency Plan (《防汛應急預案》) to effectively respond to extreme weather events, which include pre-event, during-event, and post-event protocols and measures for extreme weather incidents, so as to protect the lives and properties of the customers and employees of the shopping centres. Meanwhile, our engineering staff will check the facilities and equipment of the shopping centres before any extreme weather, implement waterproofing measures, check the outdoor drainage system, and reinforce the outdoor advertising facilities, landscape lights and other lighting equipment
- Put up fire prevention education information in the office to enable staff to learn fire safety knowledge at any time to enhance staff awareness of fire safety

For the last three years, including the Reporting Period, the Group had no work-related casualty. Besides, during the Reporting Period, the Group was not aware of any serious violations of occupational health and safety regulations and there was no report of any work injury or lost working days as a result of work injury.

ANTI-CORRUPTION

The Group always upholds the corporate value of honest, open and virtuous. We resolutely eliminate bribery, extortion, fraud and money-laundering and any other form of violations of regulations, and we maintain strict compliance with the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), Criminal Law (《刑法》) and Interim Provisions on Banning Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) and other laws and regulations. We have formulated strict anti-corruption system, including anti-corruption, whistle-blowing and investigation handling mechanisms, prevention of channeling of interests and other measures. Any employee who discovers any suspected cases of corruption or other irregularities should report to the head of department or human resources and administrative manager or make anonymous reports through other effective channels. During the Reporting Period, the Company had circulated the Directors' Guide to Honest Practices and Practical Guide on Corruption Prevention System for Listed Companies to the Board and all staff to enhance their awareness of corruption prevention. The Company also reviews the state of implementation of the above policies at regular meetings with the ESG Working Group to continuously ensure a clean working environment.

The securities business of the Group involves money laundering and terrorist financing risks. Accordingly, we have appointed a compliance officer to review and manage money laundering and terrorist financing risks and strictly comply with laws and regulations on money laundering, bribery, extortion, fraud and corruption, including:

- Drug Trafficking (Recovery of Proceeds) Ordinance;
- Organized and Serious Crimes Ordinance;
- Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission;
- United Nations (Anti-Terrorism Measures) Ordinance;
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance;
- Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations) of the Securities and Futures Commission; and
- Law on Anti-money Laundering of the People's Republic of China (《中華人民共和國反洗錢法》).

During the Reporting Period, neither the Group nor its employees were involved in any complaints or litigation relating to corruption, bribery, extortion, fraud, and money laundering.

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT

Environmental protection is the core policies of the government. In recent years, the PRC government has attached great emphasis on green enterprises and issued a range of policies such as the Comprehensive Work Plan for Energy Conservation and Emission Reduction for the “14th Five-Year Plan” Period (《「十四五」節能減排綜合工作方案》) to promote its development. The Group also actively responded to government policies and is committed to undertaking its responsibility to protect the environment. The Group has taken different channels to strike a balance between environmental protection and company’s development and strictly complied with applicable environmental laws and regulations, including but not limited to the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution(《中華人民共和國大氣污染防治法》), Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and the Water Pollution Control Ordinance (《水污染管制條例》) and Waste Disposal Ordinance (《廢物處置條例》). During the Reporting Period, the Group was not aware of any serious violations of relevant environmental laws and regulations.

Environmental Targets

This Group has set resource conservation and environmental protection as its environmental goals, aiming to achieve green production, green operations, and green development by reducing water consumption, minimizing greenhouse gas emissions, air pollutant discharges, and waste generation. The Group’s ESG Working Group is responsible for reviewing the implementation status and progress of these goals and reporting to the Board on a regular basis.

To demonstrate our dedication to environmental sustainability, the Group has set environmental targets for its Park Outlet business during the Reporting Period, and will actively promote the follow-up implementation of various energy saving and water saving measures, with an aim to maintain the level of, or gradually reduce the percentage increase in electricity consumption and water use. The Group will continue to improve various energy and water resource management measures in order to achieve its established targets. We will also assess effectiveness of such management measures in a timely manner to make flexible adjustment accordingly, and ensure its target achievement. For relevant management measures, please refer to the sections headed “Energy, Air and Greenhouse Gas Emissions Management” and “Water Management”.

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Energy, Air Emissions and Greenhouse Gas Emissions Management

The Group places a high priority on resource conservation in its daily operation, strives to reduce energy and fuel consumption and carbon emissions, with an aim to achieve cost cutting and support environmental protection. Currently, our air emissions, energy consumption and greenhouse gas emissions mainly concentrate on fuel consumption of the Company's vehicles and purchased electricity consumed for our operations. Therefore, we have formulated a series of measures and achieved a certain level of success, including:

- Installing automatic lighting sensors in our offices
- Setting air-conditioners to a specific temperature to improve electricity consumption
- Turning off idle appliances including computers and printers when leaving the office
- Encouraging employees to switch off the lights when eating out to prevent unnecessary waste of electricity
- Regular vehicle maintenance and closely monitoring of the usage of vehicles
- Using electrical appliance with high energy efficiency, e.g. electrical appliances with grade 1 energy label
- Increasing employees' environmental awareness through promotions

During the Reporting Period, we set our energy saving targets for Park Outlets for the next year and reduce unnecessary energy consumption through the following measures:

- Adjust night lighting time of public areas based on the season
- Regularly clean the cooling towers, main unit and filters of air conditioners on a quarterly basis
- Flexibly adjust the operating time of air conditioners based on the weather
- Closely monitor the electricity consumption of brand tenants
- Advise brand tenants to take appropriate energy-saving initiatives

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Waste Management

The Group has always been actively implementing measures to reduce office waste and prevent generation of unnecessary waste. During the Reporting Period, our operations did not produce significant hazardous waste nor excessively consume packaging materials for finished products.

Reminders placed at various locations in our offices

Recycling bins for resources

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Water Management

The Group believes that water is a limited and valuable resource and is indispensable to us as well as to society and the environment. Therefore, we are committed to conforming with principles of water conservation in our business operations. During the Reporting Period, we have not encountered any problems in sourcing water that is fit for purpose. We put up water conservation reminders in the canteen and toilets, and provide our employees with specific training to strengthen awareness of water conservation among our employees. We regularly inspect water tanks to identify potential leaks or overflows, and repairs will be arranged once a problem was identified. The Company rigorously implements water conservation practices all the time.

We set out the water conservation goal for the next year for Park Outlet business during the Reporting Period and implemented a series of regular water conservation measures, such as putting up water conservation posters and conducting regular checking of water facilities. We also carried out pilots and established "Water Conservation Leading Group" ("**Leading Group**") in Shenyang Park Outlets. Headed by the general manager of Shenyang Park Outlets, the Leading Group strictly carries out various water conservation tasks. We expect to work together with all employees to achieve the goal of effectively reducing water consumption. During the Reporting Period, the Leading Group completed the following tasks:

- Made use of water conservation appliances
- Promoted water conservation awareness among employees and visitors by organising various promotion activities during water conservation promotion week and on World Day for Water
- Established a computer-aided management model in each department to monitor water consumption in real time
- Implemented waste water recycling measures, such as encouraging employees to collect waste water with a bucket for floor cleaning
- Replaced double pipe water supply system with single pipe constant temperature water supply system
- No musical fountain shows on rainy days

Green Park Outlets

The Group is committed to reducing any negative environmental impacts from the operations of our outlets, while hoping to leverage its influence to lead our partners and brand tenants in achieving sustainable development goals together, to demonstrate the Group's responsibility as an industry leader. Therefore, we prefer to partner with brands conforming to ISO 14001 Environmental Management System and require all brand tenants to comply with the cooperation agreements and clauses relevant to environmental protection.

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Addressing Climate Change

Climate change has become a significant environmental challenge facing humanity in the 21st century, and has drawn global attention due to its various impact including extreme storms, rising sea levels and the potential risk would also affect the business activities of the Group. Therefore, we have formulated various environmental protection measures such as collecting, sorting and recycling waste and installing automatic lighting sensors in our offices to reduce energy consumption and greenhouse gas emissions. In addition, the Group has formulated countermeasures against physical risks and transition risks. Details are as follows:

Physical risk	Possible Impact on the Group	Mitigation measures
Extreme weather	• Employee safety issues caused by extreme weather • Park Outlets could be severely damaged by extreme weather events	• Guidelines for work arrangements under extreme weather events have been formulated • Arrangements for staff members to strengthen inspection and monitoring of various facilities has been made

Transition risk	Possible Impact on the Group	Mitigation measures
Policies and regulations	• Failure to comply with the latest disclosure requirements may result in legal problems and financial burden	• A professional third party has been entrusted to carry out relevant consultancy • Regular review of relevant legislation by staff has been arranged

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Climate Action

The Group recognizes the importance of sustainability, and is committed to aligning our business strategy with United Nations Sustainable Development Goals (SDGs). As a leading outlet mall and shopping center operator in China, we understand the impact of our industry on environment, and are actively taking actions to contribute to the global sustainable development.

Climate change is one of the most pressing challenges of our time. As a responsible corporate citizen, we are committed to reducing carbon emission, and promoting sustainable business development. The Sustainable Development Goal – Climate Action: calls for taking urgent action to combat climate change and its impact. In response, we have implemented various initiatives to integrate environmental sustainability into our operations to ensure strong environmental resilience while maintaining a responsible attitude towards the environment.

- We prioritize energy efficiency in outlet mall and shopping center management. Besides, we keep exploring renewable energy solutions, for example, transition to a greener energy source by installing solar panels wherever feasible.

- We focus on sustainable materials, high-efficient water use and eco-friendly construction techniques, with an aim to minimize our impact on the environment.

- In order to reduce carbon emissions, we encourage our colleagues to use public transportation when going out for appointments.

- We work closely with suppliers and business partners to promote sustainable development across the entire value chain. By giving priority to environmentally responsible suppliers and advocating low-carbon operation, we extend our commitment to climate action beyond our own business operations.

Looking forward, the Company continues to integrate climate action into our future business strategies. Our main sustainability commitments including:

- Expand the use of renewable energy: our aim is to explore more renewable energy to power our operations.

- Strengthen climate resilience: we will assess on climate risks associated with our operations.

- Overall business practice: we continue to focus on sustainable product procurement, environmental-friendly packaging and responsible supply-chain management.

BUILDING A GREEN ENTERPRISE TO PROTECT THE ENVIRONMENT *(Continued)*

Overview of Environmental Performance Data

Key environmental indicator	2024	2023	Unit
Greenhouse Gas (GHG)			
Total emissions[2]	**4,608.89**	5,879.61	tCO_2e
Direct emissions (Scope 1)	**61.45**	69.53	tCO_2e
Indirect emissions (Scope 2)[3, 4]	**4,547.44**	5,810.08	tCO_2e
GHG reduction (Scope 1)[5]	**–**	–	tCO_2e
GHG emissions per square metre of floor area (Scope 1 and Scope 2)[6]	**35.26**	46.23	tCO_2e/m^2
Air Emissions[7]			
Nitrogen oxides (NO_x)	**128.24**	160.86	kg
Sulphur oxides (SO_x)	**0.26**	0.29	kg
Particulate Matter (PM)	**14.95**	18.81	kg
Non-hazardous waste			
Total non-hazardous waste	**1,240.77**	1,521.82	tonnes
Non-hazardous waste disposed	**1,237.97**	1,517.50[7]	tonnes
Non-hazardous waste recycled	**2.80**	4.32	tonnes
Non-hazardous waste per square metre of floor area[7]	**9.49**	11.97	kg/m^2
Energy			
Total consumption	**9,909.97**	9,685.45	MWh
Purchased electricity	**9,745.29**	9,505.91	MWh
Petrol	**83.81**	84.41	MWh
Diesel	**37.12**	46.96	MWh
Ethanol fuel	**43.75**	48.17	MWh
Energy consumption per square metre of floor area[7]	**75.82**	76.15	kWh/m^2
Water			
Total water consumption	**120,742.30**	106,852.00	m^3
Water consumption per square metre of floor area	**0.93**	0.84	m^3/m^2
Packaging materials for finished products[8]			
Total materials consumption	**34.57**	–	tonnes
Glass	**25.23**	–	tonnes
Paper	**9.34**	–	tonnes
Intensity of packaging materials for finished products	**0.26**	–	kg/m^2

2 According to The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standards Revised Edition by the World Business Council for Sustainable Development and the World Resources Institute, Scope 1 (direct emissions) covers the greenhouse gas emissions directly from operations owned or controlled by the Group, while Scope 2 (indirect emissions) covers "indirect energy" greenhouse gas emissions from the Group's internal consumption (purchased or acquired) of electricity.

3 Such data only cover the electricity consumption known to the subsidiaries controlled by the Group as well as the indirect greenhouse gas emissions caused by electricity consumption, which include the part of lighting electricity publicly consumed by our offices and warehouses in Hong Kong and Shenyang as well as Xiamen Park Outlets.

4 Indirect emissions (Scope 2) for the Reporting Period are calculated using the relevant emission factors in Appendix 2: Reporting Guidance on Environmental KPIs in the latest edition of How to prepare an ESG Report published by the Hong Kong Stock Exchange.

5 GHG reduction (Scope 1) represents reduction of green house gas emission through tree planting. As there was no tree planting activity in 2024, the GHG reduction was zero.

6 The update of carbon emission calculation factors by CLP in Hong Kong has resulted in a significant discrepancy in the total greenhouse gas emissions between 2023 and 2024.

7 As the Hong Kong Special Administrative Region government is expected to implement municipal solid waste charging in 2024, our office in Hong Kong conducted a one-off spring cleaning exercise in 2023 to save on future waste disposal costs, resulting in a significant decrease of non-hazardous waste disposed in 2024 as compared with that of 2023.

8 The 2024 reporting scope has been expanded to SBT, whose production and sales processes entail the consumption of manufactured packaging materials such as glass and paper.

COMMUNITY CARE

Interest and support from across society is integral to the dynamic development of the Group. Accordingly, we insist on giving back to the communities where we operate in, dedicating to contribute to the development of the society as a whole. The Group adheres to our vision of "social harmony and harmonious neighbourliness", targeting to build a harmonious community in collaboration with our employees. Even in the face of pressure from energy crisis and economic downturn, we continue to devote our best efforts to contribute to the community through various channels. During the Reporting Period, the resources invested by the Group in communities were mainly used for charitable donations.

To encourage our employees in Hong Kong to demonstrate our care for community and support for blood donation to save lives, the Group newly established a blood donation leave in 2023, which entitles any employees who donate blood to enjoy half-day paid leave twice a year.

Caring for the Disabled and Impoverished Communities

During the Reporting Period, the Group organised various activities in mainland China, including taking part in the public welfare charitable activities such as the Guangcai's New Spring Campaign (新春光彩行) organised by China Society for Promotion of the Guangcai Program in Shenbei (沈北光促會) and the Summer-themed Charitable Activity (陽光公益「行」善涼一夏天) launched by Sunshine House.

Guangcai's New Spring Campaign (新春光彩行) organised by
China Society for Promotion of the Guangcai Program in Shenbei (沈北光促會)

Summer-themed Charitable Activity (陽光公益「行」善涼一夏天)

COMMUNITY CARE *(Continued)*

Charitable Donations

The Group has always been concerned with community welfare. We actively participate in social welfare services, including volunteer services, charitable donations and fund-raising activities. We take children suffering from disabilities as our priority group to provide assistance, and fully leverage our social influence to promote the development of social welfare services. During the Reporting Period, we actively participated in charitable work on disabled children, including purchasing Gift for Love cookies from the Hong Kong Federation of Handicapped Youth, charity raffle tickets from The Society for the Relief, and supporting and participating in activities including Fortune Bag Activity organized by Yan Chai Hospital and Charity Golf Event organized by Yan Chai Hospital.

Fortune Bag of Yan Chai Hospital

Charity Golf Event organized by Yan Chai Hospital

COMMUNITY CARE *(Continued)*

Charitable Donations *(Continued)*

Gift for Love cookies from the Hong Kong Federation of Handicapped Youth

REMAINING TRUE TO OUR ORIGINAL ASPIRATION AND EMBRACING THE FUTURE

During the past year, we were faced with unprecedented challenges resulting from global changes and economic downturn, which put us to severe test in terms of our core strengths and adaptability to changes. Nevertheless, through our perseverance and the concerted effort of all employees, we have adhered to the Group's principles and fulfilled expectations, while continuing to pay attention and listen to the opinions of the stakeholders, thus promoting the achievement of sustainable development of the Group.

Looking ahead, the Group will take an active role to further strengthen our positive impact on our environment and society while strengthening our capability to cope with future economic and market changes. We will leverage the Group's strength to contribute to the community, in order to build a sustainable community together with our stakeholders.

The Group would like to take this opportunity to express our heartfelt gratitude to all of our stakeholders, business partners and our valuable customers for their trust, support and sincere cooperation. We will maintain our commitment to our vision of sustainable development and perform corporate social responsibilities, as we dedicate ourselves to create a better social environmental for next generation.

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Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SYMPHONY HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Symphony Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 82 to 213, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of 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 HKFRS Accounting Standards 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.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

– Fair value of investment properties, leasehold land and buildings, and outlet mall buildings classified as level 3 recurring fair value measurements;

– Impairment assessment of trade and other receivables and loans receivable; and

– Impairment assessment of goodwill and intangible assets.

KEY AUDIT MATTERS *(Continued)*

Fair value of investment properties, leasehold land and buildings, and outlet mall buildings classified as level 3 recurring fair value measurements

Refer to Notes 15 and 14 to the consolidated financial statements and the accounting policies and critical accounting judgement and key sources of estimation uncertainty set out in Notes 4(h), 4(g) and 5(b)(vi) to the consolidated financial statements.

At 31 December 2024, the Group's investment properties (including investment properties in assets classified as held for sale), leasehold land and buildings, and outlet mall buildings, with the carrying amounts of approximately HKD1,345,251,000, HKD244,471,000 and HKD1,480,900,000, were measured at fair values respectively. The fair values of these assets were classified as level 3 recurring fair value measurements under the definition of HKFRS 13 "Fair Value Measurement" because certain key inputs used for determining the fair values of properties were not largely based on observable market data and involved management significant judgement and high level of estimation uncertainty.

Management has engaged independent qualified professional valuers to assist with the fair value measurements of these assets.

We identified the fair value of investment properties (including investment properties in assets classified as held for sale), leasehold land and buildings, and outlet mall buildings classified as level 3 recurring fair value measurements as a key audit matter because of the significant judgement and high level of estimation uncertainty involved in the valuation of these assets and the carrying amounts thereof are significant to the consolidated financial statements.

Our key audit procedures in relation to this key audit matter included:

- Evaluating the competence, capabilities and objectivity of the independent qualified professional valuers used by the management;

- Assessing the appropriateness of valuation methodologies and the reasonableness of key inputs and assumptions used in the valuation;

- Evaluating the accuracy, completeness and relevance of the data used in the valuation provided by the management to the independent qualified professional valuers; and

- Evaluating the reasonableness of disclosures relating to the fair value of investment properties, leasehold land and buildings, and outlet mall buildings.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of trade and other receivables and loans receivable

Refer to Notes 22 and 24 to the consolidated financial statements and the accounting policies and critical accounting judgement and key sources of estimation uncertainty set out in Notes 4(p) and 5(b)(viii) to the consolidated financial statements.

At 31 December 2024, the Group had trade and other receivables, net of loss allowance, and related loss allowance of approximately HKD127,231,000 and HKD14,870,000 respectively. In addition, the Group had loans receivable, net of loss allowance, and related loss allowance of approximately HKD45,734,000 and HKD5,453,000 respectively.

The expected credit loss ("**ECL**") calculations of financial assets at amortised cost under HKFRS 9 *Financial Instruments* ("**HKFRS 9**") involved management's significant judgement and high level of estimation uncertainty. It includes key assumptions such as probability of default rates, expected recovery rates in the event of loss-given default and forward-looking information specific to the debtors and the macroeconomic environment where the debtors are located.

We identified the impairment assessment of trade and other receivables and loans receivable as a key audit matter because of the significant judgement and high level of estimation uncertainty involved in the ECL calculations and the carrying amounts thereof are significant to the consolidated financial statements.

Our key audit procedures in relation to this key audit matter included:

– Assessing the appropriateness of the ECL models by challenging the reasonableness of key assumptions and inputs used by the management in estimating the ECL, including evaluating the accuracy and relevance of the historical default rates and whether they are properly adjusted based on the recent credit loss experience and forward-looking information specific to the debtors and the macroeconomic environment where the debtors are located; and

– Evaluating the reasonableness of disclosures relating to impairment assessment of trade and other receivables and loans receivable.

Impairment assessment of goodwill and intangible assets

Refer to Notes 20 and 17 to the consolidated financial statements and the accounting policies and critical accounting judgement and key sources of estimation uncertainty set out in Notes 4(e), 4(j), 4(q) and 5(b)(v) to the consolidated financial statements.

At 31 December 2024, the Group's goodwill, net of impairment loss, and intangible assets with indefinite useful lives, with the carrying amounts of approximately HKD141,401,000 and HKD93,527,000, were required to be tested for impairment at the end of reporting period, irrespective of whether there is any indication of impairment.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of goodwill and intangible assets *(Continued)*

At 31 December 2024, the Group's intangible assets with finite useful lives, with the carrying amount of approximately HKD16,056,000, were required to be tested for impairment when there is an indication of impairment.

The management concluded that except for the impairment loss on goodwill arising from the acquisition of healthcare products business recognised in the prior years, there was no impairment loss in respect of the rest of goodwill and intangible assets at 31 December 2024. This conclusion was based on the assessment of recoverable amounts of the cash-generating units allocated in the value-in-use calculations performed by independent qualified professional valuers. The assessment of recoverable amounts required management's significant judgement and high level of estimation uncertainty, including long-term growth rates, gross profit margins and discount rates.

We identified the impairment assessment of goodwill and intangible assets as a key audit matter because of the significant judgement and high level of estimation uncertainty involved in the assessment of recoverable amounts and the carrying amounts thereof are significant to the consolidated financial statements.

Our key audit procedures in relation to this key audit matter included:

– Evaluating the competence, capabilities and objectivity of the independent qualified professional valuers used by the management;

– Checking the arithmetic accuracy of the cash flow projections used in the impairment assessment of goodwill and intangible assets;

– Assessing the reasonableness of key inputs used in the cash flow projections, including long-term growth rates, gross profit margins and discount rates; and

– Evaluating the reasonableness of disclosures relating to the impairment assessment of goodwill and intangible assets.

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 HKFRS Accounting 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 Section 90 of the Bermuda Companies Act 1981, 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 judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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 work performed for the 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 or 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
Lau Kin Tat, Terry
Practising Certificate no. P07676

Hong Kong, 31 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
Revenue	7	**307,561**	304,725
Cost of sales		**(26,330)**	(29,128)
Gross profit		**281,231**	275,597
Other income and gains	10(a)	**37,939**	26,612
Distribution and selling expenses		**(61,062)**	(78,370)
Administrative expenses		**(133,796)**	(148,058)
Depreciation and amortisation expenses		**(92,477)**	(92,895)
Finance costs	8	**(94,188)**	(104,000)
Other expenses	10(b)	**(1,101)**	(3,469)
Provision of impairment loss on financial assets		**(9,172)**	(6,533)
Decrease in fair value of investment properties	15, 27	**(34,905)**	(65,041)
Share of results of joint ventures	18	**(10,031)**	6,764
Share of results of associates	19	**185**	(306)
Fair value loss on financial assets at fair value through profit or loss	25	**(23,648)**	(23,724)
Loss before income tax expense		**(141,025)**	(213,423)
Income tax expense	9	**(4,083)**	(543)
Loss for the year	10(c)	**(145,108)**	(213,966)
Loss for the year attributable to:			
– Owners of the Company		**(143,119)**	(205,913)
– Non-controlling interests		**(1,989)**	(8,053)
		(145,108)	(213,966)
Loss per share:			
– Basic and diluted		**HK(4.81) cents**	HK(6.92) cents

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
Loss for the year		**(145,108)**	(213,966)
Other comprehensive income for the year, net of tax			
Items that will not be reclassified to profit or loss:			
Fair value changes arising on revaluation of properties	14	**23,916**	34,734
Deferred tax charge arising on revaluation of properties	29	**(6,350)**	(10,060)
		17,566	24,674
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of a joint venture	18	**(1,286)**	(975)
Share of other comprehensive income of an associate	19	**8**	(17)
Exchange differences arising on translation of foreign operations		**(76,646)**	(67,335)
		(77,924)	(68,327)
Other comprehensive income for the year, net of tax		**(60,358)**	(43,653)
Total comprehensive income for the year		**(205,466)**	(257,619)
Total comprehensive income for the year attributable to:			
– Owners of the Company		**(203,122)**	(248,669)
– Non-controlling interests		**(2,344)**	(8,950)
		(205,466)	(257,619)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
Non-current assets			
Property, plant and equipment	14	**1,808,309**	1,895,364
Investment properties	15	**624,385**	657,623
Right-of-use assets	16	**402,875**	429,093
Intangible assets	17	**109,583**	111,590
Interests in joint ventures	18	**33,296**	44,613
Interests in associates	19	**6,572**	6,379
Goodwill	20	**141,401**	141,401
Deferred tax assets	29	**12,760**	14,411
Club debenture		**1,876**	1,876
Restricted bank deposits	26(a)	**–**	30,994
Statutory deposits for financial services business		**200**	200
Total non-current assets		**3,141,257**	3,333,544
Current assets			
Inventories	21	**35,176**	47,852
Trade and other receivables	22	**127,231**	226,367
Amount due from a related party	32	**–**	2,089
Amounts due from joint ventures	18	**39,222**	38,935
Amount due from an associate	19	**652**	1,453
Advances to customers in margin financing	23	**126,610**	135,334
Loans receivable	24	**45,734**	56,537
Financial assets at fair value through profit or loss	25	**81,709**	103,022
Restricted bank deposits	26(a)	**–**	20,021
Bank balances and cash – held on behalf of customers	26(b)	**20,265**	23,927
Bank balances and cash	26(c)	**77,239**	132,594
		553,838	788,131
Assets classified as held for sale	27	**720,866**	759,765
Total current assets		**1,274,704**	1,547,896
Current liabilities			
Trade and other payables	28	**349,459**	337,100
Amount due to a related party	32	**106**	–
Amounts due to directors	33	**56,555**	59,892
Lease liabilities	31	**21,526**	17,255
Bank borrowings	30	**704,534**	813,760
Tax payable		**30,450**	31,079
Total current liabilities		**1,162,630**	1,259,086
Net current assets		**112,074**	288,810
Total assets less current liabilities		**3,253,331**	3,622,354

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
Non-current liabilities			
Lease liabilities	31	**166,578**	173,225
Bank borrowings	30	**435,870**	573,086
Deferred tax liabilities	29	**331,922**	336,745
Total non-current liabilities		**934,370**	1,083,056
NET ASSETS		**2,318,961**	2,539,298
Equity			
Share capital	34	**297,422**	297,422
Reserves	36	**2,015,594**	2,233,587
Total equity attributable to owners of the Company		**2,313,016**	2,531,009
Non-controlling interests		**5,945**	8,289
TOTAL EQUITY		**2,318,961**	2,539,298

The consolidated financial statements on pages 82 to 213 were approved and authorised for issue by the board of directors on 31 March 2025 and were signed on its behalf by:

Cheng Tun Nei
Director

Chan Kar Lee Gary
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital HKD'000 *(Note 34)*	Contributed surplus HKD'000 *(Note 36)*	Share premium HKD'000 *(Note 36)*	Properties revaluation reserve HKD'000 *(Note 36)*	Translation reserve HKD'000 *(Note 36)*	Other reserve HKD'000 *(Note 36)*	Retained profits HKD'000 *(Note 36)*	Subtotal HKD'000	Non-controlling interests HKD'000	Total HKD'000
Balance at 1 January 2023	297,422	523,213	1,071,657	766,795	(95,577)	38,267	223,285	2,825,062	20,532	2,845,594
Loss for the year	–	–	–	–	–	–	(205,913)	(205,913)	(8,053)	(213,966)
Fair value changes arising on revaluation of properties	–	–	–	34,734	–	–	–	34,734	–	34,734
Deferred tax charge arising on revaluation of properties	–	–	–	(10,060)	–	–	–	(10,060)	–	(10,060)
Share of other comprehensive income of joint ventures	–	–	–	–	(975)	–	–	(975)	–	(975)
Share of other comprehensive income of an associate	–	–	–	–	(17)	–	–	(17)	–	(17)
Exchange differences arising on translation of foreign operations	–	–	–	–	(66,438)	–	–	(66,438)	(897)	(67,335)
Other comprehensive income for the year, net of tax	–	–	–	24,674	(67,430)	–	–	(42,756)	(897)	(43,653)
Total comprehensive income for the year	–	–	–	24,674	(67,430)	–	(205,913)	(248,669)	(8,950)	(257,619)
Acquisition of further interests in subsidiaries *(Note 45)*	–	–	–	–	–	(30,518)	–	(30,518)	(3,293)	(33,811)
Forfeiture of unclaimed dividends	–	–	–	–	–	–	5	5	–	5
Dividend paid *(Note 12)*	–	–	–	–	–	–	(14,871)	(14,871)	–	(14,871)
Balance at 31 December 2023	297,422	523,213	1,071,657	791,469	(163,007)	7,749	2,506	2,531,009	8,289	2,539,298

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital HKD'000 *(Note 34)*	Contributed surplus HKD'000 *(Note 36)*	Share premium HKD'000 *(Note 36)*	Properties revaluation reserve HKD'000 *(Note 36)*	Translation reserve HKD'000 *(Note 36)*	Other reserve HKD'000 *(Note 36)*	Retained profits/ (accumulated losses) HKD'000 *(Note 36)*	Subtotal HKD'000	Non-controlling interests HKD'000	Total HKD'000
Balance at 1 January 2024	297,422	523,213	1,071,657	791,469	(163,007)	7,749	2,506	2,531,009	8,289	2,539,298
Loss for the year	–	–	–	–	–	–	(143,119)	(143,119)	(1,989)	(145,108)
Fair value changes arising on revaluation of properties	–	–	–	23,916	–	–	–	23,916	–	23,916
Deferred tax charge arising on revaluation of properties	–	–	–	(6,350)	–	–	–	(6,350)	–	(6,350)
Share of other comprehensive income of joint ventures	–	–	–	–	(1,286)	–	–	(1,286)	–	(1,286)
Share of other comprehensive income of an associate	–	–	–	–	8	–	–	8	–	8
Exchange differences arising on translation of foreign operations	–	–	–	–	(76,291)	–	–	(76,291)	(355)	(76,646)
Other comprehensive income for the year, net of tax	–	–	–	17,566	(77,569)	–	–	(60,003)	(355)	(60,358)
Total comprehensive income for the year	–	–	–	17,566	(77,569)	–	(143,119)	(203,122)	(2,344)	(205,466)
Dividend paid *(Note 12)*	–	–	–	–	–	–	(14,871)	(14,871)	–	(14,871)
Balance at 31 December 2024	297,422	523,213	1,071,657	809,035	(240,576)	7,749	(155,484)	2,313,016	5,945	2,318,961

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 HKD'000	2023 HKD'000
Cash flows from operating activities		
Loss before income tax expense	**(141,025)**	(213,423)
Adjustments for:		
Interest income	**(4,439)**	(6,692)
Dividend income	**(30)**	(69)
Finance costs	**94,188**	104,000
Share of results of joint ventures	**10,031**	(6,764)
Share of results of associates	**(185)**	306
Gain on disposal of property, plant and equipment	**(138)**	–
Loss on revaluation of property, plant and equipment	**741**	2,225
Loss on disposal of interests in joint ventures	**–**	996
Depreciation of property, plant and equipment	**76,279**	76,721
Depreciation of right-of-use assets	**14,191**	14,167
Amortisation of intangible assets	**2,007**	2,007
Write off of property, plant and equipment	**43**	113
Decrease in fair value of investment properties	**34,905**	65,041
Fair value loss on financial assets at fair value through profit or loss	**23,648**	23,724
Provision of impairment loss on financial assets	**9,172**	6,533
(Reversal)/provision of allowance of inventories	**(1,172)**	6,709
Operating cash flows before movements in working capital	**118,216**	75,594
Cash flows from operating activities		
Decrease/(increase) in inventories	**13,493**	(6,048)
Decrease in trade and other receivables	**72,598**	30,494
Decrease in advances to customers in margin financing	**8,724**	41,827
Decrease/(increase) in loans receivable	**8,064**	(19,727)
(Increase)/decrease in financial assets at fair value through profit or loss	**(2,742)**	681
Decrease/(increase) in bank balances and cash – held on behalf of customers	**3,662**	(3,182)
Increase in trade and other payables	**27,180**	65,946
Cash generated from operations	**249,195**	185,585
Overseas tax paid	**(5,395)**	(93)
Hong Kong Profits Tax paid	**(767)**	(2,137)
Net cash from operating activities	**243,033**	183,355

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
Cash flows from investing activities			
Advance to joint ventures		–	(660)
Repayments from joint ventures		–	494
Advance to a joint ventures partner		–	(1,099)
Repayment from a joint ventures partner		–	711
Advance to an associate		–	(1,468)
Repayment from an associate		650	15
Advance to a related party		–	(2,199)
Repayment from a related party		2,195	–
Purchases of property, plant and equipment		(3,812)	(26,211)
Proceed from disposal of property, plant and equipment		144	–
Withdrawal in restricted bank deposits		49,198	16,391
Placement in restricted bank deposits		–	(8,200)
Interest received		1,477	4,137
Dividend received from financial assets at fair value through profit or loss		30	69
Net cash from/(used in) investing activities		49,882	(18,020)
Cash flows from financing activities	46(b)		
Acquisition of further interests in a subsidiary	45	(4,500)	(10,511)
Proceeds from bank borrowings		231,736	162,957
Repayments of bank borrowings		(464,163)	(212,215)
Repayment to a joint venture		–	(534)
Advance from directors		–	36,355
Repayments to directors		(4,846)	–
Repayments of lease liabilities		(10,341)	(8,241)
Dividend paid		(14,871)	(14,871)
Forfeiture of unclaimed dividends		–	5
Interest paid		(80,034)	(89,077)
Net cash used in financing activities		(347,019)	(136,132)
Net (decrease)/increase in cash and cash equivalents		(54,104)	29,203
Cash and cash equivalents at the beginning of the year	46(a)	132,594	98,131
Effect of foreign exchange rate changes on cash and cash equivalents		(1,251)	5,260
Cash and cash equivalents at the end of the year	46(a)	77,239	132,594

1. GENERAL INFORMATION

Symphony Holdings Limited (the "**Company**") was incorporated in Bermuda on 24 November 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 1 March 1995. Its ultimate controlling party is Mr. Cheng Tun Nei who is the chairman and a director of the Company. The addresses of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together the "**Group**") are mainly consisted of:

– Branding: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;

– Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and

– Financial services: provisions of securities brokerage, margin financing, money lending and financial consultancy services.

The principal activities of the Company's principal subsidiaries are set out in Note 45 to the consolidated financial statements.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amendments to HKFRS Accounting Standards – effective 1 January 2024

The Group has adopted the following amendments to HKFRS Accounting Standards, which included Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") relevant to the Group's accounting policies and business operations adopted for the first time prepared and presented on the consolidated financial statements for the annual period beginning on or after 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "**2022 Amendments**")
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current period has no material impact on the Group's performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS *(Continued)*

(a) Adoption of amendments to HKFRS Accounting Standards – effective 1 January 2024 *(Continued)*

Amendments to HKAS 1 "Presentation of financial statements ("2020 and 2022 amendments", or collectively the "HKAS 1 amendments")"

The HKAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.

Amendments to HKFRS 16 "Leases: Lease liability in a sale and leaseback"

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the group has not entered into any sale and leaseback transactions.

Amendments to HKAS 7 "Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements"

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements as the group has not entered into any supplier finance arrangements.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group's accounting policies and business operations, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
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 HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for the annual period beginning on or after 1 January 2025
2 Effective for the annual period beginning on or after 1 January 2026
3 Effective for the annual period beginning on or after 1 January 2027
4 Effective for the annual period beginning on or after a date to be determined

The Directors of the Company (the "**Directors**") do not anticipate that the adoption of these new and amendments to HKFRS Accounting Standards that have been issued but not yet effective will have any material impact on these consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

The new standard was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 "Contracts Referencing Nature-dependent Electricity"

To allow companies to better report the financial effects of nature-dependent electricity contracts, the amendments clarify the application of the "own-use" requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments address an inconsistency between the requirements in HKFRS 10 and HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS *(Continued)*

(b) New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to HKAS 21 and HKFRS 1 "Lack of Exchangeability"

The amendments specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 "Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at fair values as explained in the Group's accounting policies set out in Note 4 to the consolidated financial statements.

(c) Use of critical accounting judgement and estimation

The preparation of consolidated financial statements in accordance with HKFRS Accounting Standards requires the management to make critical accounting judgement, estimation and assumptions based on historical experience and various factors that are believed to be reasonable in the application of the Group's accounting policies, which involved key sources of estimation uncertainty and significant risks of causing material adjustments to the carrying amounts of assets and liabilities presented in the consolidated financial statements when those areas have high degree of judgement or complexity of estimation since the actual results may differ from these judgement and estimation when it is not readily apparent from other sources.

As a result, the management review, on an ongoing basis, to revise for any changes of these critical accounting judgement and estimation, and recognise in the period of the revision and the future periods as if the revision affects both periods. For details of the critical accounting judgement and estimation that have significant impact on the consolidated financial statements are further discussed in Note 5 to the consolidated financial statements.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("**HKD**"), which is the same as the functional currency of the Company.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(a) Business combination and basis of consolidation *(Continued)*

The carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Changes in the Group's interests in a subsidiary that do not result in a loss of control of the subsidiary are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions are eliminated against the carrying amount of the associate. Where unrealised losses provide evidence of impairment of the asset transferred, they are recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group accounts for its interests in joint ventures in the same manner as interests in associates (i.e. using the equity method – see Note 4(c) to the consolidated financial statements).

(e) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree over the fair value of the identifiable assets and liabilities measured as at the acquisition date.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after reassessment.

Goodwill is measured at cost less impairment losses, if any. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see Note 4(q) to the consolidated financial statements), and whenever there is an indication that the unit may be impaired.

When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro-rata basis on the carrying amount of each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) 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 taxes or other sales-related taxes and is after deduction of any trade discounts, volume rebates, rights of return or allowances.

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

- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract with reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

(i) Sales of goods

Revenue from sales of goods directly to customers is recognised at a point in time when the control of goods have been passed to customers, which is primarily upon the underlying goods are delivered to and have been accepted by customers. There is generally one performance obligation for sales of goods for all categories of customers.

Invoice amounts are net of value-added taxes or other sales-related taxes. Sales contracts normally provide no trade discounts, volume rebates, rights of return or allowances that may give rise to variable consideration in the sales contracts.

(ii) Commission income from concessionaire sales

Commission income from concessionaire sales is recognised over time when the underlying services are provided to the relevant retail shops located in the outlet malls based on commission rates charged for concessionaire sales generated from retail shops in accordance with the agreed terms and conditions of the underlying services contracts. There is no minimum guarantee income restricted on retail shops to generate concessionaire sales during the contractual period.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Revenue recognition *(Continued)*

(iii) Royalty income

Royalty income represents licence fees received from the licensees who are granted to access the intellectual property right, not limited to design, manufacture, package, sales, distribution and marketing of "MY LITTLE PONY" and "SKINS" branded products in foreign licensed territories. All of licensing agreements including minimum guarantee plus sales-based royalty payments. The management considers that the intellectual property right is significantly affected by the activities committed by the Group. As a result, the minimum guarantee element is recognised over time rateably over licensing periods, any additional sales-based element in excess of the minimum guarantee element would be subject to the royalty exception and recognised in the period accordingly when the usage occurs.

(iv) Securities brokerage commission

Securities brokerage income is recognised at a point in time based on the execution date of trade charged at an agreed commission rate of transaction volume of the trade executed in accordance with the terms and conditions specified in account opening agreements.

(v) Financial consultancy income

Financial consultancy income is recognised over time as the customers simultaneously receive and consume benefits whenever they request for consultancy services, not limited to, legal and compliance, corporate finance, and merger and acquisition advisory services from the Group. The services performed are normally charged at a fixed monthly fee regardless of any services performed.

The Group provides asset management and investment advisory services on diversified and comprehensive investment products to customers. The asset management fee income is recognised as the services are performed over time and is charged at a fixed percentage of the net asset value of the managed accounts under management of the Group. The Group is also entitled to a performance fee when there is a positive performance for the relevant performance period and it is recognised at the end of the relevant performance period, when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and when the uncertainty associated with the variable consideration is subsequently resolved.

(vi) Other services income

Other services income is recognised over time when the underlying services are rendered to customers.

(vii) Rental income

Rental income under operating leases is recognised on a straight-line basis over the relevant lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Revenue recognition *(Continued)*

(viii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest income is recognised as it accrues by using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost, i.e. the gross carrying amount, net of loss allowance of the asset.

(g) Property, plant and equipment

Owner-occupied leasehold land and buildings are stated at revaluation less accumulated depreciation. Revaluation is performed with sufficient regularity to ensure that the carrying amount does not differ materially from which would be determined by using fair values at the end of reporting period. Increases in value arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of "properties revaluation reserve". Decreases in value arising on revaluation are first offset against increases on earlier revaluation in respect of the same property and thereafter recognised in profit or loss. Any subsequent increases are recognised in profit or loss up to the amount previously charged and thereafter to the properties revaluation reserve. When the use of a property changes from owner-occupied to investment property, the property is also remeasured to fair value prior to the reclassification.

Upon disposal, the relevant portion of the properties revaluation reserve realised in respect of the previous revaluation is released from the properties revaluation reserve to accumulated losses/retained profits on the date of disposal of properties.

Apart from properties and construction in progress, other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. 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.

Apart from construction in progress, other property, plant and equipment are depreciated so as to write off their cost or revaluation, 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

The below items of property, plant and equipment, other than construction in progress, are depreciated over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, their annual depreciation rates are listed as follows:

Leasehold land and buildings in Hong Kong and the People's Republic of China (the "**PRC**")	Shorter of expected useful lives and remaining lease terms
Buildings	Shorter of expected useful lives and remaining lease terms
Leasehold improvements	Shorter of expected useful lives and remaining lease terms
Plant and machinery	9%–45%
Furniture, fixtures and equipment	9%–20%
Motor vehicles	16%–20%
Vessel	10%

Construction in progress is stated at cost less impairment losses, if any. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation 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.

If an item of property, plant and equipment becomes an investment property because its usage has changed as evidenced by the end of owner-occupation, any difference between the carrying amount and the fair value of that item, at the date of transfer, is recognised in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sales or retirement of the asset, the relevant properties revaluation reserve will be transferred directly to accumulated losses/retained profits on the date of sales or retirement.

An item of property, plant and equipment is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount. For details of the determination of recoverable amount is set out in Note 4(q) to the consolidated financial statements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from continuous usage of the asset. Any gain or loss arising from disposal or retirement of the asset is the difference between the net sales proceeds and the carrying amount of the asset, which is recognised in profit or loss on the date of disposal or determined as no future economic benefit.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held-for-sales in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include land held for undetermined future use and properties that are constructed or under development for future use as an investment property.

When the Group holds a property interest under an operating lease to earn rental income, which has met the definition of an investment property, the Group should classify the property interest as an investment property by using the fair value model.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values by using the fair value models.

If an investment property becomes an item of property, plant and equipment because of its usage has been changed as evidenced by the commencement of owner-occupation, the property's deemed cost for subsequent accounting is determined with reference to its fair value at the date of change in use.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the investment property, calculated as the difference between the net disposal proceeds and the carrying amount of the investment property, which is included in profit or loss for the period in which the investment property is derecognised or determined as no future economic benefit.

(i) Leases

Accounting as lessee

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contact conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated 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 when leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for 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 a straight-line basis over the lease term.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Leases *(Continued)*

Accounting as lessee *(Continued)*

Right-of-use asset

The right-of-use asset is initially 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.

Except for right-of-use asset that meets the definition of an investment property, the Group measures the right-of-use assets by applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses (see Note 4(q) to the consolidated financial statements for the impairment assessment of right-of-use assets), and adjusted for any remeasurement of lease liability.

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 *Investment Property* ("**HKAS 40**") and are carried at fair value (see Note 4(h) to the consolidated financial statements). The Group accounts for leasehold land interests and buildings which is held for own use under HKAS 16 *Property, Plant and Equipment* ("**HKAS 16**") and are carried at cost less accumulated depreciation and any impairment losses (see Note 4(g) to the consolidated financial statements).

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 by using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate as an alternative.

In the consolidated statement of financial position, the current portion of long-term lease liability is determined as the present value of lease payments that are due to be settled within twelve months after the end of reporting period.

After the initial recognition, the lease liability is measured at amortised cost and interest expenses is calculated by using the effective interest method

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 modification, e.g. a change in future lease payments arising from change in an index or a rate, a change in the lease term, a change in the in-substance of fixed lease payments or a change in assessment to purchase the underlying asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Leases *(Continued)*

Accounting as a lessor

When the Group acts as a lessor, it determines at the lease inception whether each of the lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate leases. The sub-lease is classified as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption criteria as aforementioned, then the Group classifies the sub-lease as an operating lease.

(j) Intangible assets (other than goodwill)

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses and intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses (see Note 4(q) to the consolidated financial statements for the impairment assessment of intangible assets).

Intangible assets with finite useful lives

For intangible assets with finite useful lives, amortisation is provided on a straight-line basis over their useful lives, and the amortisation expenses is recognised in profit or loss. The following intangible assets with finite useful lives are amortised from the date when they are available for use and their estimated useful lives are as follows:

Customer relationships	5–15 years

Both of the estimated useful lives and method of amortisation are reviewed at the end of each reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(j) Intangible assets (other than goodwill) *(Continued)*

(i) Acquired intangible assets *(Continued)*

Intangible assets with indefinite useful lives

For intangible assets with indefinite useful lives comprise of: (i) intellectual property right, not limited to design, manufacture, package, sales, distribution and marketing of "MY LITTLE PONY" and SKINS" branded products, with licensing periods from 7 to 15 years granted by the local government agencies in the foreign licensed territories; (ii) rights to manufacture, market, distribute and sell of healthcare products under patents and trademarks in Hong Kong, with licensing periods from 1 to 2 years; (iii) trading rights granted by Hong Kong Exchanges and Clearing Limited, which allows the Group to trade securities on or through the Stock Exchange and The Hong Kong Futures Exchange Limited; and (iv) trading right of liquor retail business license in Japan acquired.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite useful lives as set above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as it incurred.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(iv) Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at the end of each reporting period, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see Note 4(q) to the consolidated financial statements).

If the recoverable amount 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.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in the prior years. All reversals are recognised in the profit or loss immediately.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(k) Foreign currencies

In preparing the financial statements of each individual group entity, transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "**functional currency**") are recorded at the exchange rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the exchange rates ruling at the end of each reporting period. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing on the date when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary assets and liabilities, and on the translation of monetary assets and liabilities, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary assets and liabilities carried at fair value are included in profit or loss for the period, except for exchange differences arising on the retranslation of non-monetary assets and liabilities in respect of which gains and losses are recognised in other comprehensive income, in which cases, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group, i.e. Hong Kong dollars at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the exchange rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as "translation reserve" and attributable to non-controlling interests, as appropriate. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary assets and liabilities forming part of the Group's net investments in the foreign operations concerned are reclassified to other comprehensive income and accumulated in equity as translation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the translation reserve.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(l) 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 rendered to related service.

(ii) Defined contribution retirement plans

Mandatory provident fund scheme set up and operated under the Mandatory Provident Fund Schemes Ordinance, Cap. 485 ("**the MPF Schemes Ordinance**") is categorised as a defined contribution plan.

Contributions to defined contribution plan are charged to the consolidated statement of comprehensive income when the related services are recognised.

(m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met: (i) in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or (ii) in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets that are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

Current tax

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated by using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Additional income taxes that arise from the distribution of dividend are recognised when the liability to pay the related dividend is recognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Income tax *(Continued)*

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits, taxable temporary differences arising from investments in subsidiaries or interests in joint ventures and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

An exception to the general requirement in determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40. Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured by using the tax rates that would apply on sales of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sales. In other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities by using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(n) Club debenture

Club debenture acquired is measured on the initial recognition at cost and its useful life is assessed to be indefinite. The club debenture is tested for impairment at the end of each reporting period and not to be amortised. Its useful life is also reviewed at the end of each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(o) 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 locations and conditions. Cost is calculated by using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

When the inventories are sold, the carrying amount of inventories is recognised as expenses in the period in which the related revenue is recognised.

The amount of any written down of inventories to net realisable value and all loss of inventories are recognised as an expense in the period when the written down occurs. The amount of any reversal of any written down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The amount of any written down of inventories to net realisable value and all losses of inventories are recognised as expenses in the period in which the written down or loss incurred. The amount of any reversal of any written down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal incurred.

(p) 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. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets with embedded derivatives are considered in their entirely when determining whether their cash flows are solely payment of principal and interest, if applicable.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Financial instruments *(Continued)*

(i) Financial assets *(Continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

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 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.

FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividend and interest income are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowance for expected credit loss ("**ECL**") on trade receivables and other financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are 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 measured loss allowance for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical experience, adjusted for forward-looking factors specific to the debtors and the macroeconomic environment where the debtors located.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since initial recognition, the loss allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the ECLs, the Group considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information has taken into account of when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Financial instruments *(Continued)*

(ii) Impairment loss on financial assets *(Continued)*

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held); or the financial asset is more than 90 days past due.

The Group considers a financial asset to be credit-impaired when: (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising securities collateral, if applicable; or (ii) the financial asset is more than 180 days past due; or (iii) significant financial difficulty of the issuer or the counterparty; or (iv) a breach of contract, such as a default or past due event; or (v) the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or (vi) it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or (vii) the disappearance of an active market for that financial asset because of financial difficulties.

ECLs are remeasured at the end of each reporting period to reflect changes in the financial asset's credit risk since initial recognition. Any change in the ECLs is recognised as provision or reversal of loss allowance in profit or loss. The Group recognises provision or reversal of loss allowance for financial assets measured at amortised cost with a corresponding adjustment to their carrying amount through the usage of loss allowance account.

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 assets. For non-credit-impaired financial assets, interest income is calculated based on the gross carrying amount of financial assets.

Write off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account of legal advice where appropriate. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Financial instruments *(Continued)*

(iii) Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amounts due a related party and directors and bank borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expenses is recognised in profit or loss.

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

(iv) Effective interest 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 expenses 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) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) 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. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss when the financial asset is derecognised.

Financial liabilities are derecognised when the obligation specified in the relevant contract is either discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss when the financial liabilities is derecognised.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

At the end of each reporting period, the Group reviews the carrying amounts of the following non-financial 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 assets with definite useful lives;
- right-of-use assets;
- investments in subsidiaries and interests in associates and joint ventures; and
- club debenture.

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, unless the relevant asset is carried at a revalued amount under another HKFRS Accounting Standards, in which case the impairment loss is treated as a revaluation decrease under that HKFRS Accounting Standards.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash-generating unit in Note 4(e) to the consolidated financial statements, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently, i.e. a cash-generating unit.

Except for goodwill, 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 the prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount under another HKFRS Accounting Standards, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS Accounting Standards.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(r) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable to result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(s) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses of the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other income, rather than reducing the related expense.

(t) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

   (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) Related parties *(Continued)*

(b) (Continued)

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly-controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependents of that person or that person's spouse or domestic partner.

(u) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, short-term deposits and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Bank balances held on behalf of customers

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group has classified the clients' monies as "bank balances and cash – held on behalf of customers" under the current assets presented in the consolidated statement of financial position as the Group is allowed to retain some or all of the interest income on the clients' monies and recognised the corresponding amount of trade payables to the respective customers under the current liabilities payable to clients on the grounds that it is liable for any loss or misappropriation of clients' monies. Under the Hong Kong Securities and Futures Ordinance (Cap. 571), the Group is not allowed to use the clients' monies to settle its own financial obligations.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "**CODM**"). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

(w) Assets classified as held for sale

Assets are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The investment properties, which are classified as held-for-sale, would continue to be measured in accordance with the policies set out in note 4(h) to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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.

(a) Critical judgement in applying accounting policies

(i) Classification between investment properties and owner-occupied properties

The Group has developed criteria required management significant judgement and estimation to determine whether a property qualifies as an investment property. According to the accounting policies set out in Notes 4(g) and 4(h) to the consolidated financial statements, investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the management considers whether a property generates cash flows largely independent of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held-for-use in the production or supply of goods or services or for administrative purposes. The Group may provide ancillary services to the occupants of properties it holds. The management significant judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as an investment property. The property is an investment property only if the ancillary services are insignificant to the arrangement as a whole.

At 31 December 2024, the carrying amounts of right-of-use assets and outlet mall buildings of approximately HKD401,253,000 and HKD1,480,900,000 (2023: HKD428,258,000 and HKD1,532,925,000) related to the leasehold land and building interests of outlet malls, where located in Shenyang and Xiamen, the PRC. Regarding the operation models, the concessionaire sales generated is largely dependent on the sales performance of the retail shops located in the outlet malls, which the Group has the power to exercise significant operating and financing decisions on daily operations of the outlet malls. As a result, the directors are in the opinion of the outlet malls are in the nature of owner-occupied properties and should follow the accounting policies as set out in Note 4(g) to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(a) Critical judgement in applying accounting policies *(Continued)*

(ii) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As at 31 December 2024, the Group has recognised deferred taxes on revaluation of investment properties amounted to approximately HKD57,334,000 (2023: approximately HKD62,036,000).

(b) Key sources of estimation uncertainty

In addition to information disclosed elsewhere in the consolidated financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment of interests in joint ventures

The management determines whether interests in joint ventures has any impairment indicators with reference to the requirements under HKFRS 11 *Joint Arrangements* ("**HKFRS 11**") and HKAS 36 "Impairment of Assets" involved significant judgement and estimation at the end of each reporting period.

In order to identify the impairment indicators, the management particularly in assessing: (i) whether the carrying amount of the interests can be supported by the recoverable amount, being the higher of fair value less cost of disposal or value-in-use; and (ii) the appropriate key assumptions of inputs to be applied in preparing cash flow projections including whether the projections is discounted by an appropriate rate and projected by an appropriate growth rate. The cash flow projections is therefore used as the value-in-use calculation to estimate the share of future cash flows expected to arise from the business operations held by the joint venture companies with an appropriate discount rate to calculate the share of present value of the interests in joint ventures. The calculation of fair value less cost of disposal of the interests may require the assistance by the independent qualified professional valuer particularly when the joint venture companies operate and manage an outlet mall located in Anyang, the PRC.

Where the actual cash flows are less than the expected cash flow projections, impairment loss may arise in the profit or loss to the extent when the recoverable amounts exceed the carrying amounts of the interests in joint ventures.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(ii) Useful lives of property, plant and equipment

The management determines the estimated useful lives, residual values and related depreciation expenses for the Group's property, plant and equipment based on the historical experience and expectations of the actual useful lives and residual values of property, plant and equipment with similar nature and functions. The management will revise the depreciation expenses where the useful lives and residual values are different to those previously estimated, or it will write off or write down as if there is any technological obsolescence, changes in market demand or service outputs that has been reduced significantly to abandon or sell the assets.

(iii) Useful lives of intangible assets

According to the past experience, all of intangible assets with indefinite useful lives comprising of the intellectual property right of "MY LITTLE PONY" and "SKINS" trademarks, patents and trademarks of healthcare product business, trading rights of securities and trading right of liquor retail business can be renewed indefinitely at little or even no cost and are expected to generate net cash inflow in an indefinite manner.

For "MY LITTLE PONY" and "SKINS" trademarks, the management also considers that a relatively significant amount of marketing and promotion support has been spent providing that the trademarks have considerable and stable economic benefits to the Group. The Group has demonstrated its financial ability to protect the legal rights in the absence of any regulatory, economic or competitive factors that may truncate the useful life assessment. However, the management is aware of any changes of strategic decision, not limited to withdrawal of marketing support or weakening of customers' preference may result changes in the assessment of useful lives from indefinite to finite. If an intangible asset is defined as having a finite useful life, annual amortisation expenses will be recognised to reduce both operating profits and the carrying amount of intangible asset.

The useful lives of intangible assets are reviewed at the end of each reporting period to determine whether the indefinite useful life assessment continue to be supportable. If not, the change in the useful life assessment from indefinite to definite is accounted for prospectively from the date of change.

(iv) Impairment of non-financial assets (other than goodwill and intangible assets)

The Group assesses whether there are any indicators of impairment for all categories of non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. For the purpose of impairment testing, a non-financial asset is allocated to its cash-generating unit. It requires management significant judgement and estimation in the area of impairment testing, particularly in assessing: (i) whether the carrying amount of a non-financial asset can be supported by the recoverable amount, being the higher of fair value less cost of disposal or value-in-use; and (ii) the appropriate key assumptions of inputs to be applied in preparing cash flow projections including whether the projection is discounted by an appropriate rate. The cash flow projections is therefore used as the value-in-use calculation to estimate the future cash flows expected to arise from the cash-generating unit with an appropriate discount rate to calculate the present value of a non-financial asset. The calculation of fair value less cost of disposal of a non-financial asset is based on binding sales transactions or market prices less incremental costs for disposing the asset with reference to market data.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(v) Impairment of goodwill and intangible assets

Goodwill and intangible assets are tested for impairment when indicators exist and irrespective of whether there is any indication of impairment, goodwill is required to be tested annually for impairment. For the purpose of impairment testing, goodwill has been allocated to the cash-generating units operating in financial services and healthcare product businesses.

Determining whether goodwill and intangible assets is impaired requires an estimation an estimation of the recoverable amount of the cash-generating unit to which goodwill or intangible assets has been allocated. For the purpose of impairment testing, goodwill and intangible assets are allocated to their respective cash-generating units. The assessment of recoverable amounts required management's significant judgement and high level of estimation uncertainty, including long-term growth rates, gross profit margins and discount rates.

The management has also taken into account of past performance, future market development, exit prices, marketing costs and related economic parameters affecting the goodwill and intangible assets when preparing cash flow projections. The significant judgement and high level of estimation uncertainty are involved in the assessment of recoverable amounts. These significant assumptions and estimation reflect the management best understanding and prediction to the business but involve inherent uncertainty outside the control by the management.

(vi) Fair value measurement of properties and financial instruments

For the leasehold land and buildings, outlet mall buildings, investment properties and unlisted investment are carried at fair at the end of each reporting period. In determining the fair value, the valuers use the most relevant valuation techniques involving certain estimates of market conditions and utilisation of market observable inputs and data as far as possible. The key inputs used in the fair value measurement are categorised into different levels based on how observable of the key inputs used in the valuation techniques are: (i) Level 1: Quoted prices in active markets for identical items (unadjusted); (ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and (iii) 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 key inputs used that has a significant effect on the fair value measurement. Transfer of items between levels are recognised in the period as they occur. Changes to key assumptions and inputs used in the valuation techniques would result in changes in the fair value and the corresponding adjustments to the amount of gain or loss are reported in profit or loss or other comprehensive income respectively.

The significant judgement and high level of estimation uncertainty involved in the valuation of these assets. Information of the valuation techniques and key inputs used in determining the fair value of properties and financial instruments are set out in Notes 14, 15 and 38(c) to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(vii) Provision of allowance of inventories

At the end of each reporting period, the management reviews the inventories ageing analysis and provides allowance for slow-moving and obsolete inventory items which are identified as no longer suitable for consumption and saleable. Management significant judgement and estimation is required in determining such allowance. If there is any condition which have an impact on the net realisable value of inventories to be deteriorated, additional allowance of inventories may be required. The management estimates the net realisable value based on the latest invoice amounts and current market conditions on similar inventories. When the actual outcome is different from the original estimation, such difference will impact the provision of allowance to be recognised or reversed in the period when such estimation is changed.

(viii) ECL assessment of financial assets measured at amortised cost

The management measures loss allowance of financial assets measured at amortised cost based on 12-months or lifetime ECL assessment. For trade receivables, the loss allowance using HKFRS 9 simplified approach is calculated by lifetime ECL assessment. For other financial assets (including loan commitments issued), the loss allowance is calculated by 12-month ECL assessment. However, when there has been a significant increase in credit risk since initial recognition, the loss allowance will be calculated by lifetime ECL assessment.

When determining whether the credit risk of a financial asset (including a loan commitment) has increased significantly since initial recognition and when estimating the loss allowance, it involves management significant judgement and high level of estimation uncertainty for the management to consider reasonable and supportable information that is relevant and available without undue costs or effort. This includes key assumptions such as probability of default rates, expected recovery rates in the event of loss-given default and forward-looking information specific to the debtors and the macroeconomic environment where the debtors are located.

In order to determine the most appropriate ECL models in estimating the loss allowance, the significant judgement and high level of estimation uncertainty are involved in the ECL calculations. The management identifies appropriate key drivers of credit risks as well as future movement of different economic drivers and how these drivers affect each other in the contractual period of the financial assets. When the actual outcome is different from the original estimation, such difference will impact the loss allowance to be recognised or reversed in the period when such estimation is changed.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(ix) Estimation of income taxes and deferred taxes

The Group is subject to taxation exposures mainly in Hong Kong, the PRC and foreign tax jurisdictions. Management significant judgement and estimation is required in determining the anticipated amounts of provisions of taxes and the timing of the related payments. There is a certain extent of transactions and calculations for which the ultimate tax determination is uncertain arising from the ordinary course of business. The Group recognises provisions of taxes only to the extent for the anticipated tax amounts based on prevailing tax regulations and the best estimates whether additional taxes to be due particularly on uncertain tax items. Where the final tax outcome of these matters is different from the tax amounts that were initially recorded, such differences will impact on the provisions of taxes in the period when such determination is made.

Providing that the Group recognised deferred tax assets related to unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised in accordance with business plans and budgets formed in the prior years. Management significant judgement and estimation is required to determine an appropriate amount of deferred tax assets to be recognised based on the likelihood of timing and level of future taxable profits to be generated, together with the consideration of future tax planning strategies. Where the expectation is different from the original estimation, such differences will impact the recognition of deferred tax assets in the period when such estimation is changed.

6. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting process to both directors and key management personnel of the Company (together the "**Chief Operating Decision Maker**"), the Group's operating segments are broadly classified into different reportable segments based on the categories of products or services provided in different geographical locations with reference to the requirements under HKFRS 8 *Operating Segments* ("**HKFRS 8**").

The classification of reportable segments is determined by the Chief Operating Decision Maker to monitor the results individually for the purpose of making decisions of resources allocation and performance assessment of the reportable segments. Financial information of the reportable segments is disaggregated into segment revenue and results, segment assets, segment liabilities, other segment information, geographical information and information about major customers, which is regularly provided to the Chief Operating Decision Maker to serve the above purpose.

A summary of the reportable segments under HKFRS 8 is classified as follows:

– Branding: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;

– Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and

– Financial services: provisions of securities brokerage, margin financing, money lending and financial consultancy services.

6. SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results (Business segment)

The following table provides an analysis of the reportable segment revenue and reportable segment loss of different reportable segments recognised during the year:

For the year ended 31 December 2024

	Branding HKD'000	Retailing HKD'000 *(Note)*	Financial services HKD'000	Inter-segment elimination HKD'000	Consolidated HKD'000
Revenue from external customers	52,998	236,648	17,915	–	307,561
Inter-segment revenue*	91	5,428	–	(5,519)	–
Reportable segment revenue	53,089	242,076	17,915	(5,519)	307,561
Reportable segment loss	(17,477)	(21,770)	(26,129)	–	(65,376)
Reconciliation:					
Interest income					4,439
Central administrative expenses					(70,242)
Share of results of joint ventures					(10,031)
Share of results of associates					185
Loss before income tax expense					(141,025)

Note:

Revenue from commission income from concessionaire sales included in retailing segment is analysed as follows:

Gross revenue from concessionaire sales	1,074,392
Commission income from concessionaire sales	178,794

6. SEGMENT INFORMATION *(Continued)*

(a) Segment revenue and results (Business segment) *(Continued)*

For the year ended 31 December 2023

	Branding HKD'000	Retailing HKD'000 *(Note)*	Financial services HKD'000	Inter-segment elimination HKD'000	Consolidated HKD'000
Revenue from external customers	61,123	223,850	19,752	–	304,725
Inter-segment revenue*	74	5,441	–	(5,515)	–
Reportable segment revenue	61,197	229,291	19,752	(5,515)	304,725
Reportable segment loss	(39,394)	(81,417)	(22,008)	–	(142,819)
Reconciliation:					
Interest income					6,692
Central administrative expenses					(83,754)
Share of results of joint ventures					6,764
Share of results of associates					(306)
Loss before income tax expense					(213,423)

Note:

Revenue from commission income from concessionaire sales included in retailing segment is analysed as follows:

Gross revenue from concessionaire sales	1,068,280
Commission income from concessionaire sales	166,513

* Inter-segment revenue transactions are priced with reference to prices charged to external parties for similar orders based on similar terms and conditions of sales agreements entered.

The accounting policies across different reportable segments are the same as the Group's accounting policies. The segment results is evaluated based on different reportable segment loss, which is a common measure of profit or loss incurred in different reportable segments, with the adjustments of loss before income tax expense. The adjusted loss before income tax expense of each reportable segment is measured consistently with the Group's loss before income tax expense except for the corporate income and expenses, including interest income, central administrative expense and share of results of joint ventures and associates which are managed by the headquarter for daily monitoring of working capital purpose.

6. SEGMENT INFORMATION *(Continued)*

(b) Segment revenue and results (Disaggregation of revenue)

The following table provides an analysis of reportable segment revenue recognised during the year is disaggregated by primary geographical markets, major products and services lines and timing of revenue recognition. The following table also includes a reconciliation of disaggregated revenue of different reportable segments recognised during the year, mainly into two categories: (i) revenue from contracts with customers within the scope of HKFRS 15; and (ii) revenue from other sources not within the scope of HKFRS 15:

For the year ended 31 December 2024

Revenue from contracts with customers within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	1,970	179,468	–	181,438
Hong Kong (Place of domicile)	24,303	–	6,292	30,595
United States of America	4,159	–	–	4,159
Other Asian countries *(Note)*	6,138	–	–	6,138
Others *(Note)*	16,428	–	–	16,428
Total	52,998	179,468	6,292	238,758
Major products and services:				
Sales of goods	49,313	–	–	49,313
Commission income from concessionaire sales	–	178,794	–	178,794
Royalty income	3,666	–	–	3,666
Securities brokerage commission	–	–	935	935
Financial consultancy income	–	–	5,357	5,357
Other services income	19	674	–	693
Total	52,998	179,468	6,292	238,758
Timing of revenue recognition:				
At a point in time	49,313	–	935	50,248
Transferred over time	3,685	179,468	5,357	188,510
Total	52,998	179,468	6,292	238,758

6. SEGMENT INFORMATION *(Continued)*

(b) Segment revenue and results (Disaggregation of revenue) *(Continued)*

For the year ended 31 December 2024 *(Continued)*

Revenue from other sources not within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	–	50,259	–	50,259
Hong Kong (Place of domicile)	–	6,921	11,623	18,544
Total	–	57,180	11,623	68,803
Major products and services:				
Rental income	–	57,180	–	57,180
Interest income	–	–	11,623	11,623
Total	–	57,180	11,623	68,803

6. SEGMENT INFORMATION *(Continued)*

(b) Segment revenue and results (Disaggregation of revenue) *(Continued)*

For the year ended 31 December 2023

Revenue from contracts with customers within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	8,421	167,029	–	175,450
Hong Kong (Place of domicile)	24,301	25	4,001	28,327
United States of America	4,443	–	–	4,443
Other Asian countries *(Note)*	8,123	–	–	8,123
Others *(Note)*	15,835	–	–	15,835
Total	61,123	167,054	4,001	232,178
Major products and services:				
Sales of goods	58,643	25	–	58,668
Commission income from concessionaire sales	–	166,513	–	166,513
Royalty income	2,473	–	–	2,473
Securities brokerage commission	–	–	1,021	1,021
Financial consultancy income	–	–	2,980	2,980
Other services income	7	516	–	523
Total	61,123	167,054	4,001	232,178
Timing of revenue recognition:				
At a point in time	58,643	25	1,021	59,689
Transferred over time	2,480	167,029	2,980	172,489
Total	61,123	167,054	4,001	232,178

6. SEGMENT INFORMATION *(Continued)*

(b) Segment revenue and results (Disaggregation of revenue) *(Continued)*

For the year ended 31 December 2023 *(Continued)*

Revenue from other sources not within the scope of HKFRS 15

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Consolidated HKD'000
Primary geographical markets:				
The PRC	–	49,563	–	49,563
Hong Kong (Place of domicile)	–	7,233	15,751	22,984
Total	–	56,796	15,751	72,547
Major products and services:				
Rental income	–	56,796	–	56,796
Interest income	–	–	15,751	15,751
Total	–	56,796	15,751	72,547

Note: The geographical information for the revenue attributed to each country recognised during the year is not available as the associated costs to capture such information would be excessive.

6. SEGMENT INFORMATION *(Continued)*

(c) Segment assets

The following table provides an analysis of reportable segment assets of different reportable segments recognised as at 31 December 2024 and 2023:

	2024 HKD'000	2023 HKD'000
Branding	**241,604**	315,515
Retailing	**2,956,000**	3,135,617
Financial services	**325,874**	377,176
Total reportable segment assets	**3,523,478**	3,828,308
Unallocated	**171,617**	293,367
Assets classified as held for sale	**720,866**	759,765
Consolidated total assets	**4,415,961**	4,881,440

The segment assets is evaluated based on different reportable segment assets, which is a common measure of assets held by different reportable segments. The consolidated total assets are allocated to different reportable segments which are measured consistently with the Group's assets except for the corporate assets held by headquarter or inactive subsidiaries, including interests in joint ventures, interests in associates, deferred tax assets, club debenture, amounts due from a related party, joint ventures and an associate, restricted bank deposits, bank balances and cash and assets classified as held for sale.

6. SEGMENT INFORMATION *(Continued)*

(d) Segment liabilities

The following table provides an analysis of reportable segment liabilities of different reportable segments recognised as at 31 December 2024 and 2023:

	2024 HKD'000	2023 HKD'000
Branding	**43,595**	53,714
Retailing	**472,271**	448,280
Financial services	**21,688**	25,576
Total reportable segment liabilities	**537,554**	527,570
Unallocated	**1,559,446**	1,814,572
Consolidated total liabilities	**2,097,000**	2,342,142

The segment liabilities is evaluated based on different reportable segment liabilities, which is a common measure of liabilities held by different reportable segments. The consolidated total liabilities are allocated to different reportable segments which are measured consistently with the Group's liabilities except for the corporate liabilities held by headquarter or inactive subsidiaries, including amounts due to a related party and directors, bank borrowings, tax payable, deferred tax liabilities and dividend payable.

6. SEGMENT INFORMATION *(Continued)*

(e) Other segment information

For the year ended 31 December 2024

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Corporate and other unallocated HKD'000	Consolidated HKD'000
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure *(Note)*	1,695	20,849	–	–	22,544
Depreciation of property, plant and equipment	4,653	69,996	1,630	–	76,279
Depreciation of right-of-use assets	650	13,541	–	–	14,191
Amortisation of intangible assets	2,007	–	–	–	2,007
Gain on disposal of property, plant and equipment	–	(138)	–	–	(138)
Loss on revaluation of property, plant and equipment	–	741	–	–	741
Write off of property, plant and equipment	–	43	–	–	43
Decrease in fair value of investment properties	–	34,905	–	–	34,905
Fair value loss on financial assets at fair value through profit or loss	–	–	23,648	–	23,648
(Reversal)/provision of impairment loss on financial assets	(210)	6,101	3,281	–	9,172
Reversal of allowance of inventories	(1,172)	–	–	–	(1,172)
Dividend income	–	–	(30)	–	(30)
Interest income	–	–	(11,623)	(4,439)	(16,062)
Interest expenses	1,049	93,139	–	–	94,188

6. SEGMENT INFORMATION *(Continued)*

(e) Other segment information *(Continued)*

For the year ended 31 December 2023

	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Corporate and other unallocated HKD'000	Consolidated HKD'000
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure *(Note)*	49,897	3,024	3	–	52,924
Depreciation of property, plant and equipment	1,686	73,400	1,635	–	76,721
Depreciation of right-of-use assets	293	13,874	–	–	14,167
Amortisation of intangible assets	2,007	–	–	–	2,007
Loss on revaluation of property, plant and equipment	–	2,225	–	–	2,225
Write off of property, plant and equipment	104	9	–	–	113
Decrease in fair value of investment properties	–	65,041	–	–	65,041
Fair value loss on financial assets at fair value through profit or loss	–	–	23,724	–	23,724
Impairment loss on financial assets	1,497	3,784	1,252	–	6,533
Provision of allowance of inventories	6,709	–	–	–	6,709
Dividend income	–	–	(69)	–	(69)
Interest income	–	–	(15,751)	(6,692)	(22,443)
Interest expenses	1,298	102,702	–	–	104,000

Note: Capital expenditure including purchases of property, plant and equipment and construction costs of outlet malls located in Shenyang, the PRC.

6. SEGMENT INFORMATION *(Continued)*

(f) Geographical information

The following table provides an analysis of revenue from external customers by geographical locations based on the services locations or delivery destinations and non-current assets by geographical locations based on the physical locations of the assets operated ("**Specified non-current assets**"):

	Revenue from external customers		Specified non-current assets *(Note)*	
	2024	2023	**2024**	2023
	HKD'000	HKD'000	**HKD'000**	HKD'000
The PRC	**231,697**	225,013	**2,551,538**	2,682,971
Hong Kong (Place of domicile)	**49,139**	51,311	**425,479**	444,441
United States of America	**4,159**	4,443	**42,091**	42,091
Other Asian countries	**6,138**	8,123	**63,434**	72,483
Others	**16,428**	15,835	**45,955**	46,153
Total	**307,561**	304,725	**3,128,497**	3,288,139

Note: Non-current assets located in different geographical locations excluding deferred tax assets and restricted bank deposits which are located across different geographical locations and the costs of capturing such information will be excessive.

(g) Information about major customers

No revenue from transactions with a single external customer, in aggregate, representing 10% or more of the Group's total revenue for the year ended 31 December 2024 and 2023.

7. REVENUE

Revenue from external customers including net invoiced amounts of goods sold, commission income from concessionaire sales, royalty income, securities brokerage commission, financial consultancy income, other services income, rental income and interest income. The amounts of each significant categories of revenue recognised during the year are disaggregated as follows:

	2024 HKD'000	2023 HKD'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of goods	**49,313**	58,668
Commission income from concessionaire sales	**178,794**	166,513
Royalty income	**3,666**	2,473
Securities brokerage commission	**935**	1,021
Financial consultancy income	**5,357**	2,980
Other services income	**693**	523
	238,758	232,178
Revenue from other sources not within the scope of HKFRS 15:		
Rental income	**57,180**	56,796
Interest income	**11,623**	15,751
	68,803	72,547
Total	**307,561**	304,725

All contracts with customers within the scope of HKFRS 15 are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

8. FINANCE COSTS

An analysis of finance costs recognised during the year is as follows:

	2024 HKD'000	2023 HKD'000
Interest expenses on bank borrowings	**79,266**	89,076
Interest expenses on bank overdrafts	**–**	1
Interest expenses on lease liabilities	**12,685**	12,790
Interest expenses on amounts due to directors	**2,237**	2,133
	94,188	104,000

9. INCOME TAX EXPENSE

The amount of income tax expense recognised in the consolidated statement of profit or loss during the year is as follows:

	Total	
	2024 HKD'000	2023 HKD'000
Current tax:		
Hong Kong		
– Profits Tax		
– Provision for the year	**(410)**	(495)
– Over/(under) provision in respect of prior years	**231**	(175)
	(179)	(670)
The PRC and other jurisdictions		
– PRC Enterprise Income Tax		
– Provision for the year	**(5,905)**	(3,106)
– Under provision in respect of prior years	**(112)**	–
	(6,017)	(3,106)
– Foreign Tax		
– Provision for the year	**(24)**	(62)
– Over provision in respect of prior years	**36**	103
	12	41
Deferred tax: *(Note 29)*		
Hong Kong and the PRC		
– Profits Tax and PRC Enterprise Income Tax		
– Credit for the year	**2,101**	3,192
Income tax expense	**(4,083)**	(543)

9. INCOME TAX EXPENSE *(Continued)*

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax was calculated by applying the statutory tax rate of 16.5% on the estimated taxable profits arising in Hong Kong for both current and prior year. According to the definition of "connected entity" under the Two-tiered Profits Tax Regime, the management has elected one of the Company's subsidiaries to apply for the two-tiered profits tax rates to calculate the provision for Hong Kong Profits Tax for both current and prior year in the following manner.

For this elected subsidiary, the first HKD2,000,000 of the estimated taxable profits arising in Hong Kong was taxed at 8.25% and the remaining estimated taxable profits was taxed at 16.5%. The provision for Hong Kong Profits Tax for this elected subsidiary was calculated on the same basis for the prior year.

PRC Enterprise Income Tax

All of the group entities operating in the PRC were calculated by applying the statutory tax rate of 25% on the estimated taxable profits arising in the PRC for both current and prior year, except for one of the Company's subsidiary incorporated in Hong Kong engaged in the property investment business in the PRC, which is subject to the withholding tax rate of 10% on its gross rental income, net of value-added tax, earned in the PRC for both current and prior year, based on the existing tax legislation, interpretation and practices in respect thereof.

Up to the date of approval and authorisation for issuance of the consolidated financial statements, the above subsidiary engaged in the property investment business in the PRC has not filed any tax returns for reporting its PRC Enterprise Income Tax in respect of its rental income earned in the PRC. The PRC tax authority has the right to levy penalty for any late filing of tax returns. The amount of such potential penalty cannot be reliably estimated as the range of which is wide. However, for all newly signed tenancy agreements between the Group and the tenants since the financial year of 2016, a new clause has been added in the agreements to require the tenants to pay the PRC Enterprise Income Tax based on 10% of its gross rental income, net of value-added tax, earned in the PRC on behalf of the Group, based on the existing tax legislation, interpretation and practices in respect thereof. According to the management experience and the above measures adopted, the amount of such potential penalty, if any, will not be material to the consolidated financial statements. In addition, pursuant to the signed sales and purchase agreement in respect of the acquisition of the above subsidiary in the financial year of 2014, both of the vendor and the guarantor have undertaken to indemnify the Group for any tax liability arising from the late filing of tax returns prior to the completion date of the acquisition.

Foreign tax

Taxation arising in other jurisdictions was calculated by applying the statutory tax rates that were expected to be applicable in the relevant jurisdictions, where those overseas subsidiaries operate, on the estimated taxable profits for both current and prior year.

Pillar Two Rules

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

9. INCOME TAX EXPENSE *(Continued)*

The amount of income tax expense recognised during the year can be reconciled to loss before income tax expense in the consolidated statement of profit or loss as follows:

	2024 **HKD'000**	2023 HKD'000
Loss before income tax expense	**(141,025)**	(213,423)
Tax credit calculated at the statutory tax rate	**23,269**	35,215
Tax effect of expenses not deductible for tax purpose	**(17,971)**	(17,501)
Tax effect of revenue not taxable for tax purpose	**4,764**	4,551
Tax effect of share of results of joint ventures	**(1,655)**	1,116
Tax effect of share of results of associates	**30**	(51)
Tax effect of tax losses not recognised	**(22,049)**	(38,647)
Tax effect of deductible temporary difference not recognised	**(448)**	(1,003)
Tax effect of utilisation of tax losses previously not recognised	**14,232**	11,821
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(4,410)**	4,028
Over/(under) provision in respect of prior years	**155**	(72)
Income tax expense	**(4,083)**	(543)

In addition to the amount charged to the profit or loss, deferred tax liability relating to deferred tax charge arising on revaluation of properties of approximately HKD6,350,000 (2023: HKD10,060,000) has been charged to other comprehensive income during the year as set out in Note 29 to the consolidated financial statements.

10. LOSS FOR THE YEAR

(a) Other income and gains

	2024 HKD'000	2023 HKD'000
Dividend income	**30**	69
Foreign exchange gain	**1,513**	–
Interest income	**4,439**	6,692
Gain on disposal of property, plant and equipment	**138**	–
Government grants *(Note (i))*	**12,979**	3,142
Reimbursement income of operating outlet malls	**14,570**	13,098
Others	**4,270**	3,611
	37,939	26,612

Note:

(i) For the year ended 31 December 2024 and 2023, government grants were received from the PRC local authorities which provide financial support on the retailing business in the PRC. In addition, the Group received financial support from the Japan local authorities in 2024 in respect of the Sake business in Japan. There was no unfulfilled condition to receive both government grants at the end of reporting period.

(b) Other expenses

	2024 HKD'000	2023 HKD'000
Loss on revaluation of property, plant and equipment	**741**	2,225
Loss on disposal of interests in joint ventures	**–**	996
Write off of property, plant and equipment	**43**	113
Penalty expense	**255**	17
Others	**62**	118
	1,101	3,469

10. LOSS FOR THE YEAR *(Continued)*

(c) Loss for the year is arrived at:

	2024 HKD'000	2023 HKD'000
After charging:		
Directors' emoluments *(Note 11(a))*	8,319	7,203
Employees' costs (excluding directors' emoluments) comprise:		
– Salaries	45,286	54,819
– Welfare and other expenses	2,142	1,914
– Contributions to defined contribution retirement plans	6,507	7,656
	62,254	71,592
Auditor's remuneration	1,380	2,100
Amortisation of intangible assets	2,007	2,007
Cost of inventories recognised as expenses	26,330	29,128
Depreciation of property, plant and equipment	76,279	76,721
Depreciation of right-of-use assets	14,191	14,167
Decrease in fair value of investment properties	34,905	65,041
Provision of allowance of inventories *(Note (i))*	–	6,709
Short-term leases expenses	2,776	3,111
After crediting:		
Reversal of allowance of inventories *(Note (i))*	(1,172)	–
Gain on disposal of property, plant and equipment	(138)	–
Gross rental income from investment properties	(57,180)	(56,796)
Less: Direct operating expenses related to:		
– Investment properties that generate rental income	16,312	13,605
– Investment properties that did not generate rental income	90	96
	(40,778)	(43,095)

10. LOSS FOR THE YEAR *(Continued)*

(c) *(Continued)*

	2024 HKD'000	2023 HKD'000
Interest income from:		
– Bank deposits	**(1,473)**	(2,204)
– Loans receivable and advances to customers in margin financing	**(11,623)**	(15,751)
– Others	**(2,966)**	(4,488)
Dividend income	**(30)**	(69)
Reimbursement income of operating outlet malls	**(14,570)**	(13,098)

Note:

(i) The provision/(reversal) of allowance of inventories arising from decrease/(increase) in net realisable value caused by the decrease/(increase) in estimated scrap value.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and Chief Executive's emoluments

Directors' and Chief Executive's emoluments paid or payable by the Group during the year is disclosed as follows:

For the year ended 31 December 2024

	Executive Directors				Independent Non-executive Directors			
	Cheng Tun Nei HKD'000 *(Note a)*	Chan Kar Lee Gary HKD'000	Lee Cheung Ming HKD'000	Fung Kim Wan Ewim HKD'000 *(Note b)*	Shum Pui Kay HKD'000	Wah Wang Kei Jackie HKD'000	Chow Yu Chun Alexander HKD'000	Total HKD'000
Directors' fees	–	–	–	–	170	170	170	510
Other emoluments:								
Salaries, welfare and other expenses	2,400	1,980	1,736	1,051	–	–	–	7,167
Discretionary bonus *(Note c)*	200	165	128	88	–	–	–	581
Contributions to defined contribution retirement plans	18	–	18	25	–	–	–	61
Total emoluments	2,618	2,145	1,882	1,164	170	170	170	8,319

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' and Chief Executive's emoluments *(Continued)*

For the year ended 31 December 2023

	Executive Directors			Independent Non-executive Directors			
	Cheng Tun Nei HKD'000 *(Note a)*	Chan Kar Lee Gary HKD'000	Lee Cheung Ming HKD'000	Shum Pui Kay HKD'000	Wah Wang Kei Jackie HKD'000	Chow Yu Chun Alexander HKD'000	Total HKD'000
Directors' fees	–	–	–	168	170	170	508
Other emoluments:							
Salaries, welfare and other expenses	2,400	1,980	1,794	–	–	–	6,174
Discretionary bonus *(Note c)*	200	165	120	–	–	–	485
Contributions to defined contribution retirement plans	18	–	18	–	–	–	36
Total emoluments	2,618	2,145	1,932	168	170	170	7,203

Notes:

(a) Mr. Cheng Tun Nei acts as Chairman and Chief Executive Officer of the Company.

(b) Ms. Fung Kim Wan Ewim was appointed as an executive director on 6 December 2024.

(c) The distribution amounts of discretionary bonus was determined based on the individual's performance during the year after the review and approval from the remuneration committee of the Company.

No actual or accrued compensation was recognised for any loss of office as a director in connection with the management of affairs towards the Group for both current and prior year.

No actual or accrued payment to any of the director in respect of an inducement to accept office as the director or paid as the consideration to any third parties for making available of directors' services for both current and prior year.

No loans, quasi-loans and other dealing arrangements in favour of the directors, controlled bodies corporate by or connected entities with any of the directors at 31 December 2024 and 2023.

Except for the contributions to defined contribution retirement plans, no other retirement benefits was paid or payable to and received or receivable by the directors for the management of affairs towards the Group. None of the director was waived for emoluments for both current and prior year.

Salaries, welfare and other expenses paid or payable to the Executive Directors of the Company is general emoluments in respect of their services rendered in connection with the management of affairs towards the Group.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

Among the five individuals of the Group with the highest emoluments during the year, which included the Chief Executive Officer and three directors (2023: the Chief Executive Officer and two directors) of the Company. Their emoluments are disclosed in Note 11(a) to the consolidated financial statements. The emoluments of the remaining one (2023: two) individuals during the year is disclosed as follows:

	2024 HKD'000	2023 HKD'000
Salaries, welfare and other expenses	**1,290**	1,980
Discretionary bonus	**120**	–
Contributions to defined contribution retirement plans	**18**	44
	1,428	2,024

The aggregate of the emoluments in respect of the remaining one (2023: two) individual(s) with the highest emoluments paid or payable during the year were within the following bands:

	2024 Number of employees	2023 Number of employees
Below HKD1,000,000	**–**	1
HKD1,000,001 to HKD1,500,000	**1**	1
HKD1,500,001 to HKD2,000,000	**–**	–

No actual or accrued compensation was recognised for any loss of office in connection with the management of affairs towards the Group for both current and prior year.

No actual or accrued payment to any of the individuals in respect of an inducement to accept office or paid as the consideration to any third parties for making available of individuals' services for both current and prior year.

12. DIVIDEND

	2024 HKD'000	2023 HKD'000
2023 final dividend of HKD0.005 (2023: 2022 final dividend of HKD0.005) per ordinary share declared and paid	**14,871**	14,871

No interim dividend was declared and paid to the shareholders of the Company for both current and prior year.

The board of directors recommended the payment of a final dividend to the shareholders of the Company in respect of the financial year ended 31 December 2024 of HKD0.005 (2023: HKD0.005) per ordinary share of the Company, in total of approximately HKD14,871,000 (2023: HKD14,871,000). The final dividend proposed after the end of reporting period was not reflected as dividend payable in the consolidated financial statements as at 31 December 2024 and 2023.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2024 HKD'000	2023 HKD'000
Loss:		
Loss for the year attributable to owners of the Company	**(143,119)**	(205,913)

	2024 Number of shares ('000)	2023 Number of shares ('000)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share	**2,974,225**	2,974,225

	HK cents	HK cents
Loss per share:		
Basic and diluted	**(4.81)**	(6.92)

The Company did not have any dilutive potential ordinary shares for the year ended 31 December 2024 and 2023.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings in Hong Kong HKD'000	Leasehold land and buildings in the PRC HKD'000	Outlet mall buildings HKD'000	Leasehold improvements HKD'000	Construction in progress HKD'000	Plant and machinery HKD'000	Furniture, fixtures and equipment HKD'000	Motor vehicles HKD'000	Vessel HKD'000	Total HKD'000
At cost or revaluation:										
At 1 January 2023	277,200	27,125	1,573,708	125,416	19,117	2,631	30,088	4,246	16,176	2,075,707
Additions	–	–	–	3,512	47,562	97	1,753	–	–	52,924
Fair value changes arising on revaluation of properties	(27,200)	(2,378)	2,199	–	–	–	–	–	–	(27,379)
Transfer from investment properties	–	13,610	–	–	–	–	–	–	–	13,610
Transfer to investment properties	–	(27,403)	–	–	–	–	–	–	–	(27,403)
Transfer from construction in progress	–	–	–	42,593	(60,989)	18,039	358	–	–	1
Write off	–	–	–	(125)	–	–	(182)	–	–	(307)
Exchange realignment	–	(223)	(42,982)	(1,484)	(5,690)	920	(1,002)	(96)	–	(50,557)
At 31 December 2023	250,000	10,731	1,532,925	169,912	–	21,687	31,015	4,150	16,176	2,036,596
Representing:										
At cost	–	–	–	169,912	–	21,687	31,015	4,150	16,176	242,940
At revaluation	250,000	10,731	1,532,925	–	–	–	–	–	–	1,793,656
	250,000	10,731	1,532,925	169,912	–	21,687	31,015	4,150	16,176	2,036,596

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Leasehold land and buildings in Hong Kong HKD'000	Leasehold land and buildings in the PRC HKD'000	Outlet mall buildings HKD'000	Leasehold improvements HKD'000	Plant and machinery HKD'000	Furniture, fixtures and equipment HKD'000	Motor vehicles HKD'000	Vessel HKD'000	Total HKD'000
At cost or revaluation:									
At 1 January 2024	250,000	10,731	1,532,925	169,912	21,687	31,015	4,150	16,176	2,036,596
Additions	–	–	18,571	1,857	1,305	780	31	–	22,544
Disposal	–	–	–	–	–	(13)	(733)	–	(746)
Fair value changes arising on revaluation of properties	(15,000)	(924)	(20,624)	–	–	–	–	–	(36,548)
Write off	–	–	–	–	–	(306)	–	–	(306)
Exchange realignment	–	(336)	(49,972)	(8,900)	(1,979)	(718)	(116)	–	(62,021)
At 31 December 2024	235,000	9,471	1,480,900	162,869	21,013	30,758	3,332	16,176	1,959,519
Representing:									
At cost	–	–	–	162,869	21,013	30,758	3,332	16,176	234,148
At revaluation	235,000	9,471	1,480,900	–	–	–	–	–	1,725,371
	235,000	9,471	1,480,900	162,869	21,013	30,758	3,332	16,176	1,959,519

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Leasehold land and buildings in Hong Kong HKD'000	Leasehold land and buildings in the PRC HKD'000	Outlet mall buildings HKD'000	Leasehold improvements HKD'000	Plant and machinery HKD'000	Furniture, fixtures and equipment HKD'000	Motor vehicles HKD'000	Vessel HKD'000	Total HKD'000
Accumulated depreciation:									
At 1 January 2023	–	–	–	94,568	2,175	24,984	3,760	4,308	129,795
Provided for the year	11,011	270	49,585	11,310	413	2,199	315	1,618	76,721
Write back on revaluation of properties	(11,011)	(153)	(48,724)	–	–	–	–	–	(59,888)
Transfer to investment properties	–	(118)	–	–	–	–	–	–	(118)
Eliminated on write off	–	–	–	(21)	–	(173)	–	–	(194)
Exchange realignment	–	1	(861)	(3,113)	(44)	(992)	(75)	–	(5,084)
At 31 December 2023	–	–	–	102,744	2,544	26,018	4,000	5,926	141,232
Provided for the year	10,638	186	50,102	10,059	1,967	1,680	29	1,618	76,279
Eliminated on disposal	–	–	–	–	–	(7)	(733)	–	(740)
Write back on revaluation of properties	(10,638)	(184)	(48,901)	–	–	–	–	–	(59,723)
Eliminated on write off	–	–	–	–	–	(263)	–	–	(263)
Exchange realignment	–	(2)	(1,201)	(3,700)	(121)	(440)	(111)	–	(5,575)
At 31 December 2024	–	–	–	109,103	4,390	26,988	3,185	7,544	151,210
Net book value:									
At 31 December 2024	235,000	9,471	1,480,900	53,766	16,623	3,770	147	8,632	1,808,309
At 31 December 2023	250,000	10,731	1,532,925	67,168	19,143	4,997	150	10,250	1,895,364

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

For the year ended 31 December 2023, the additions to construction in progress of approximately HKD47,562,000 was related to interest expenses capitalised and direct cost attributable to the construction work located in Japan, which was reclassified when the construction work completed in 2023.

For the year ended 31 December 2023, there was a commencement of owned–occupation for a property and resulted in a change in use of the property from leasing for rental income to self use. The net book value of approximately HKD13,610,000 was transferred from investment properties to property, plant and equipment.

At 31 December 2024 and 2023, the Group's leasehold land and buildings, and outlet mall buildings were valued by independent qualified professional valuers. The management will have discussions with the valuers regarding the key assumptions and methodologies when the fair value measurements is performed at the end of the reporting period. Except for the loss on revaluation of a property that was recognised in profit or loss, all of the remaining revaluation surplus/deficit net of applicable deferred taxes was credited/charged to the properties revaluation reserve for both current and prior year.

The following table provides the fair value of the leasehold land and buildings, and outlet mall buildings held by the Group as at 31 December 2024 and 2023:

	2024 **HKD'000**	2023 HKD'000
Fair value:		
Leasehold land and buildings located in Hong Kong	**235,000**	250,000
Leasehold land and buildings located in the PRC	**9,471**	10,731
Outlet mall buildings	**1,480,900**	1,532,925
At 31 December	**1,725,371**	1,793,656

The fair values of the above properties were based on the highest and best use, which did not differ from their actual usage for both current and prior year.

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Reconciliations of the opening and closing fair values of the leasehold land and buildings, and outlet mall buildings at Level 3 recurring fair value measurements are provided as follows:

	2024 HKD'000	2023 HKD'000
Level 3 recurring fair value:		
At 1 January	1,793,656	1,878,033
Additions	18,571	–
Transfer from investment properties	–	13,610
Transfer to investment properties	–	(27,285)
Fair value changes arising on revaluation of properties	23,175	32,509
Depreciation	(60,926)	(60,866)
Exchange realignment	(49,105)	(42,345)
At 31 December	1,725,371	1,793,656

At 31 December 2024 and 2023, all of the fair values of leasehold land and buildings, and outlet mall buildings of approximately HKD1,725,371,000 (2023: HKD1,793,656,000) were classified as Level 3 recurring fair value measurements in accordance with the definition set out in Note 5(b)(vi) to the consolidated financial statements. There was no transfer between different levels of the fair value hierarchy for both current and prior year as the key inputs used by the independent qualified professional valuers were remained as unobservable with significant adjustments before deriving the appropriate fair values of the properties.

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Information about fair value measurements using significant unobservable inputs

Properties	Valuation approach	*Notes*	Significant unobservable inputs	Range of estimates 2024	2023
Hong Kong	Direct comparison approach	(i)	(Discount)/premium on characteristics of the properties	**N/A**	-6%–6%
			Average market price of similar properties (HKD/sq. feet)	**N/A**	18,100
Hong Kong	Capitalisation of rental receivables approach	(ii)	Term yield	**2.8%**	N/A
			Reversionary yield	**3%**	N/A
			Market unit rent per month (HKD/sq. feet)	**43**	N/A
Shanghai, the PRC	Capitalisation of rental receivables approach	(ii)	Term yield	**5.5%**	5.3%
			Reversionary yield	**6.5%**	6.3%
			Market unit rent per month (RMB/sq. metre)	**64**	70
Shenyang, the PRC	Discount of rental income approach	(iii)	Rental yield	**6%**	6%
			Market unit rent per month (RMB/sq. metre)	**83–100**	83–103
Xiamen, the PRC	Discount of rental income approach	(iii)	Rental yield	**4%**	4%
			Market unit rent per month (RMB/sq. metre)	**108–180**	107–178

Notes:

(i) The direct comparison approach takes into account of the characteristics of the properties, which included the location, size, timing, floor level, view, age and quality against comparable sales evidence available in the market nearby.

A significant increase/(decrease) in the discount on characteristics of the properties, or a significant (decrease)/increase in the premium on characteristics of the properties or market prices of similar properties, would result in a significant (decrease)/increase in the fair value of leasehold land and buildings.

(ii) The capitalisation of rental receivables approach takes into account of the rental receivables outstanding during the residual period of the existing tenancy, which is then capitalised at an appropriate capitalisation rate with due allowance for the reversionary interests after the expiry of the tenancy.

A significant increase/(decrease) in both term yield and reversionary yield of the property, or a significant (decrease)/increase in the average market unit rent of the property would result in a significant (decrease)/increase in the fair value of the leasehold land and buildings.

(iii) The discount of rental income approach takes into account of the future rental income arising from the retail shops located in the outlet mall buildings located in Shenyang and Xiamen, the PRC for the remaining lease terms. This approach also consider different factors, such as rental yield and market unit rent of comparable properties available for rental purposes nearby.

A significant increase/(decrease) in rental yield and market unit rent of the property, would result in a significant increase/(decrease) in the fair value of the outlet mall buildings.

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Information about fair value measurements using significant unobservable inputs *(Continued)*

There were changes in the valuation techniques during the year as disclosed in the above table. In the opinion of the directors, the changes can better reflect how the market perceive the fair value of the properties based on the market data available.

Had the leasehold land and buildings, and outlet mall buildings not been revalued and stated at historical cost less accumulated depreciation and impairment loss, if any, their net book value would have been approximately HKD859,971,000 (2023: HKD904,897,000).

	2024 **HKD'000**	2023 HKD'000
Leasehold land and buildings located in Hong Kong	**64,552**	76,273
Leasehold land and buildings located in the PRC	**12,300**	12,935
Outlet mall buildings	**783,119**	815,689
	859,971	904,897

At 31 December 2024, the leasehold land and buildings located in Hong Kong and outlet mall buildings located in Shenyang and Xiamen, the PRC with total carrying amount of approximately HKD1,715,900,000 (2023: HKD1,782,925,000) were pledged to secure banking facilities granted to the Group as set out in Note 30 to the consolidated financial statements.

15. INVESTMENT PROPERTIES

	HKD'000
At fair value:	
At 1 January 2023	1,241,285
Decrease in fair value	(40,541)
Transfer from property, plant and equipment	27,285
Transfer to property, plant and equipment	(13,610)
Exchange realignment	(34,031)
Transfer to assets classified as held for sale *(Note 27)*	(522,765)
At 31 December 2023	657,623
Decrease in fair value	(12,674)
Exchange realignment	(20,564)
At 31 December 2024	624,385

The Group's investment properties located in Hong Kong, Beijing, Shanghai, Chongqing and Tianjin, the PRC are held either medium or long–term leases and for the purpose of either earning rental income or capital appreciation.

15. INVESTMENT PROPERTIES *(Continued)*

For the year ended 31 December 2023, there was property incepted of an operating lease and resulted in a change in use of the property from self use to leasing for rental income. The net book value of approximately HKD27,285,000 was transferred from property, plant and equipment to investment properties.

The Group classified the operating lease arrangement related to the community mall located in Tianjin, the PRC as an investment property under the definition of HKAS 40, i.e. held for the purpose of earning rental income.

At 31 December 2024 and 2023, the Group's investment properties were valued by independent qualified professional valuers. The management will have discussions with the valuers regarding the key assumptions and methodologies when the fair value measurements is performed at the end of each reporting period. All of the changes in fair value net of applicable deferred taxes was recognised in profit or loss for both current and prior year.

The fair values of the above properties were based on the highest and best use, which did not differ from their actual usage for both current and prior year.

Reconciliations of the opening and closing fair values of the investment properties at Level 3 recurring fair value measurements are provided as follows:

	2024 **HKD'000**	2023 HKD'000
At Level 3 recurring fair value:		
At 1 January	**657,623**	1,241,285
Decrease in fair value	**(12,674)**	(40,541)
Transfer from property, plant and equipment	**–**	27,285
Transfer to property, plant and equipment	**–**	(13,610)
Exchange realignment	**(20,564)**	(34,031)
Transfer to assets classified as held for sale *(Note 27)*	**–**	(522,765)
At 31 December	**624,385**	657,623

At 31 December 2024 and 2023, all of the fair values of investment properties of approximately HKD624,385,000 (2023: HKD657,623,000) were classified as Level 3 recurring fair value measurements in accordance with the definition set out in Note 5(b)(vi) to the consolidated financial statements. There was no transfer between different levels of the fair value hierarchy for both current and prior year as the key inputs used by the independent qualified professional valuers were remained as unobservable with significant adjustments before deriving the appropriate fair values of the properties.

15. INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable inputs

Properties	Valuation approach	Notes	Significant unobservable inputs	Range of estimates 2024	Range of estimates 2023
Beijing, the PRC	Capitalisation of rental receivables approach	(ii)	Term yield	**4.5%**	4.5%
			Reversionary yield	**5%**	5%
			Market unit rent per month (RMB/sq. metre)	**233**	328
Shanghai, the PRC	Capitalisation of rental receivables approach	(ii)	Term yield	**N/A**	5.3%
			Reversionary yield	**N/A**	6.3%
			Market unit rent per month (RMB/sq. metre)	**N/A**	70
Shanghai, the PRC	Direct comparison approach	(i)	(Discount)/premium on characteristics of the properties	**-2%–10%**	N/A
			Average market prices of similar properties (RMB/sq. metre)	**64**	N/A
Chongqing, the PRC	Capitalisation of rental receivables approach	(ii)	Term yield	**2%–4%**	2%–4%
			Reversionary yield	**3%–5%**	3%–5%
			Market unit rent per month (RMB/sq. metre)	**92 to 307 (Commercial) 595 (Carpark)**	84 to 280 (Commercial) 595 (Carpark)
Tianjin, the PRC	Capitalisation of rental receivables approach	(ii)	Term yield	**2.5%–4.5%**	2.5%–5%
			Reversionary yield	**3.0%–5.5%**	3.0%–5.5%
			Market unit rent per month (RMB/sq. metre)	**35 to 87 (Commercial) 180 (Carpark)**	36 to 90 (Commercial) 190 (Carpark)
Hong Kong	Direct comparison approach	(i)	(Discount)/premium on characteristics of the properties	**-1%–9%**	-1%–6%
			Average market prices of similar properties (HKD/sq. feet)	**3,380 (Warehouse) 16,725 (Office)**	3,550 (Warehouse) 17,100 (Office)

15. INVESTMENT PROPERTIES *(Continued)*

Information about fair value measurements using significant unobservable inputs *(Continued)*

Notes:

(i) The direct comparison approach takes into account of the characteristics of the properties, which included the location, size, timing, floor level, view, age and quality against comparable sales evidence available in the market nearby.

A significant increase/(decrease) in the discount on characteristics of the properties, or a significant (decrease)/increase in the premium on characteristics of the properties or market prices of similar land or properties, would result in a significant (decrease)/increase in the fair value of the investment properties.

(ii) The capitalisation of rental receivables approach takes into account of the rental receivables outstanding during the residual period of the existing tenancy, which is then capitalised at an appropriate capitalisation rate with due allowance for the reversionary interests after the expiry of the tenancy.

A significant increase/(decrease) in both term yield and reversionary yield of the property, or a significant (decrease)/increase in the average market unit rent of the property would result in a significant (decrease)/increase in the fair value of the investment properties.

There were changes in the valuation techniques during the year as disclosed in the above table. In the opinion of the directors, the changes can better reflect how the market perceive the fair value of the properties based on the market data available.

At 31 December 2024, the investment properties (including investment properties classified as held for sale) located in Hong Kong, Beijing and Chongqing, the PRC with total carrying amount of approximately HKD1,198,631,000 (2023: HKD1,253,643,000) were pledged to secure banking facilities granted to the Group as set out in Note 30 to the consolidated financial statements.

16. RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets categorised by class of underlying assets at 31 December 2024 and 2023 was as follows:

	Leasehold land interests HKD'000	Properties leased for own use HKD'000	Motor vehicles HKD'000	Total HKD'000
At 1 January 2023	454,292	–	128	454,420
Additions	–	1,128	–	1,128
Depreciation	(13,746)	(293)	(128)	(14,167)
Exchange realignment	(12,288)	–	–	(12,288)
At 31 December 2023	428,258	835	–	429,093
Additions	–	413	1,059	1,472
Depreciation	(13,506)	(650)	(35)	(14,191)
Exchange realignment	(13,499)	–	–	(13,499)
At 31 December 2024	401,253	598	1,024	402,875

The right-of-use assets comprise of: (i) upfront lease payments paid for acquiring leasehold land interests located in Shenyang and Xiamen, the PRC under medium lease terms; (ii) right-to-use of office premises and warehouses, where located in Hong Kong under non-cancellable tenancy agreements, with lease terms from one to two years (2023: one to two years); and (iii) a motor vehicle held under a hire purchase arrangement.

The Group does not have any options to renew or terminate the existing tenancy agreements and no major lease incentives was received from the lessors or landlords for both current and prior year.

At 31 December 2024, the leasehold land interests located in Shenyang and Xiamen, the PRC with total carrying amount of approximately HKD401,253,000 (2023: HKD428,258,000) were pledged to secure banking facilities granted to the Group as set out in Note 30 to the consolidated financial statements.

16. RIGHT-OF-USE ASSETS *(Continued)*

The analysis of expense items in relation to leases recognised in profit or loss during the year is as follows:

	2024 **HKD'000**	2023 HKD'000
Depreciation charge of right-of-use assets by class of underlying assets:		
– Leasehold land interests	**13,506**	13,746
– Properties leased for own use	**650**	293
– Motor vehicles	**35**	128
	14,191	14,167
Interest expenses on lease liabilities *(Note 8)*	**12,685**	12,790
Short-term leases expenses *(Note 10(c))*	**2,776**	3,111
Variable lease payments not included in the measurement of lease liabilities	**1,405**	1,132

Details of the total cash outflows for leases and the maturity analysis of lease liabilities (including fixed and variable lease payments) are set out in Notes 46(c) and 31 to the consolidated financial statements.

17. INTANGIBLE ASSETS

	Trading rights HKD'000	**Trademarks** HKD'000	**Customer relationships** HKD'000	**Total** HKD'000
Cost:				
At 1 January 2023 and 2024, 31 December 2023 and 2024	3,113	90,414	53,946	147,473
Accumulated amortisation:				
At 1 January 2023	–	–	33,876	33,876
Provided for the year	–	–	2,007	2,007
At 31 December 2023	–	–	35,883	35,883
Provided for the year	–	–	2,007	2,007
At 31 December 2024	–	–	37,890	37,890
Net book value:				
At 31 December 2024	3,113	90,414	16,056	109,583
At 31 December 2023	3,113	90,414	18,063	111,590

17. INTANGIBLE ASSETS *(Continued)*

As at 31 December 2024 and 2023, the intangible assets consisted of the "MY LITTLE PONY" and "SKINS" trademarks, patents and trademarks of healthcare products and trading rights, which are considered by the management as having indefinite useful lives required to be tested for impairment at the end of each reporting period, plus the customer relationships of healthcare products business which is considered by the management as having estimated useful lives of 5–15 years (2023: 5–15 years).

For the impairment testing, the intangible assets have been allocated to their respective cash-generating units. Their recoverable amounts are determined based on the higher of fair value less costs of disposal or value-in-use. The value–in–use calculations are derived from the most recent financial budgets approved by the management. The key inputs implemented in the value-in-use calculations reflect the best estimate of the past performance, expectation of market development and specific risks encountered in the underlying businesses.

For the "MY LITTLE PONY" trademark, it covers a detailed budget plan, plus an extrapolated cash flow projection by applying a long-term growth rate subsequent to the budget plan, with a pre-tax discount rate of 18.0% (2023: 22.8%).

The key assumptions used in the budget plan are:

i. Cash flows beyond the budget plan are extrapolated by using an estimated 2.1% (2023: 2.1%) long-term growth rate; and

ii. Gross profit margins will be maintained at its current level throughout the budget plan.

For the "SKINS" trademark, it covers a detailed budget plan, plus an extrapolated cash flow projection by applying a long-term growth rate subsequent to the budget plan, with a pre-tax discount rate of 17.4% (2023: 18.4%).

The key assumptions used in the budget plan are:

i. Cash flows beyond the budget plan are extrapolated by using an estimated 2.5% (2023: 2.5%) long-term growth rate; and

ii. Gross profit margins will be maintained at its current level throughout the budget plan.

For the patents and trademarks of healthcare products, it covers a detailed budget plan, plus an extrapolated cash flow projection by applying a long-term growth rate subsequent to the budget plan, with a pre-tax discount rate of 15.1% (2023: 18.5%).

17. INTANGIBLE ASSETS *(Continued)*

The key assumptions used in the budget plan are:

i. Cash flows beyond the budget plan are extrapolated by using an estimated 2.4% (2023: 2.5%) long-term growth rate; and

ii. Gross profit margins will be maintained at its current level throughout the budget plan.

The management concluded that all of the cash-generating units identified in their respective business operations were sufficiently demonstrated, in any reasonable changes in key inputs used in the value-in-use calculations, the recoverable amounts exceeded the carrying amounts of the cash-generating units. As a result, no provision of impairment was recognised for both current and prior year.

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM JOINT VENTURES

	2024 HKD'000	2023 HKD'000
At 1 January	**44,613**	75,086
Share of results for the year	**(10,031)**	6,764
Disposal	**–**	(36,262)
Exchange realignment	**(1,286)**	(975)
At 31 December	**33,296**	44,613

Details of the Company's interests in joint ventures at 31 December 2024 and 2023 are as follows:

Name of joint ventures	Place of incorporation/ registration and operation	Particulars of registered share capital	Effective interest in registered/share capital indirectly held by the Company 2024	2023	Principal activities
武漢喬尚實業發展有限公司 ("**武漢喬尚**")	The PRC (natural person investment or holding)	Registered paid-up shares of RMB50,000,000	**25%**	25%	Investment holding
安陽喬尚尚柏奥萊商業管理有限公司 ("**安陽喬尚**")	The PRC (Taiwan, Hong Kong or Macau and domestic joint venture)	Registered paid-up shares of RMB10,000,000	**25%**	25%	Operation and management of outlet malls
安陽國旅尚柏奥萊置業有限公司 ("**安陽國旅**")	The PRC (domestic and foreign joint venture)	Registered paid-up shares of RMB60,000,000	**25%**	25%	Property investment

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM JOINT VENTURES *(Continued)*

The above joint venture companies are unlisted entities whose quoted market prices are not available to the Group.

The contractual arrangements provide the Group joint controls in the joint arrangements with the rights to the net assets to share the net income generated by the business operations from the joint ventures, whereas the rights to the assets and obligations for the liabilities under the joint arrangements rested primarily on the joint ventures. Under the requirement of HKFRS 11, the equity interests in these joint arrangements are classified as interests in joint ventures and accounted for using the equity method in the consolidated financial statements at 31 December 2024 and 2023.

On 5 July 2023, the Company entered into share sale and purchase agreement with Luxembourg Pony Holdings S.à r.l. ("**Luxembourg Pony**") (a company incorporated in Luxembourg with limited liability and is a wholly-owned subsidiary of Iconix International, Inc.) in relation to the entire 50% equity interest in Wisdom Class (a joint venture company incorporated in the British Virgin Islands with limited liability, and is owned as to 50% by the Company and 50% by Luxembourg Pony), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the entire 50% equity interest in Wisdom Class. All conditions had been fulfilled and completion of the transfer of ownership of the 50% equity interest in Wisdom Class had taken place on 5 July 2023.

At 31 December 2024 and 2023, the Company indirectly held 25% of the equity interests in 武漢喬尚, 安陽喬尚, 安陽國旅 and its wholly-owned subsidiary.

Aggregate financial information of the joint ventures that are not individually material

	2024 **HKD'000**	2023 HKD'000
Share of results for the year	**(10,031)**	6,764
Share of other comprehensive income for the year	**(1,286)**	(975)
Share of total comprehensive income for the year	**(11,317)**	5,789

	2024 **HKD'000**	2023 HKD'000
Amounts due from joint ventures	**39,222**	38,935

18. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM JOINT VENTURES *(Continued)*

Aggregate financial information of the joint ventures that are not individually material *(Continued)*

The above summarised financial information has been adjusted for any differences in accounting policies between the Group and the joint ventures. There are no contingent liabilities nor capital commitments to be shared with the joint ventures at 31 December 2024 and 2023.

At 31 December 2024, the carrying amount of the amounts due from joint ventures of approximately HKD39,222,000 (2023: HKD38,935,000) was unsecured, interest-free and repayable on demand.

Movements of loss allowance of amounts due from joint ventures during the year were as follows:

	2024 **HKD'000**	2023 HKD'000
At 1 January	**2,531**	126
Provision of loss allowance	**457**	2,405
At 31 December	**2,988**	2,531

19. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE

	2024 **HKD'000**	2023 HKD'000
At 1 January	**6,379**	6,702
Share of results for the year	**185**	(306)
Exchange realignment	**8**	(17)
At 31 December	**6,572**	6,379

19. INTERESTS IN ASSOCIATES/AMOUNT DUE FROM AN ASSOCIATE *(Continued)*

Details of the Company's interests in associates at 31 December 2024 and 2023 are as follows:

Name of associates	Place of incorporation and operation	Particulars of share capital	Effective interest in share capital indirectly held by the Company 2024	2023	Principal activities
Just Dawn Limited	The British Virgin Islands	Ordinary paid-up shares of USD30	**45%**	45%	Investment holding
Yoshida Brewery Limited	Japan	Ordinary paid-up shares of JPY85,000,000	**20%**	20%	Manufacturing, developing and retailing of sake

The above associate companies are unlisted entities and the directors considered that the Group has the ability to exercise significant influence in accordance with the rights stated in the articles of association. Therefore, the associate companies are accounted for using the equity method in the consolidated financial statements at 31 December 2024 and 2023.

Aggregate financial information of the associates that are not individually material

	2024 HKD'000	2023 HKD'000
Share of results for the year	**185**	(306)
Share of other comprehensive income for the year	**8**	(17)
Share of total comprehensive income for the year	**193**	(323)

	2024 HKD'000	2023 HKD'000
Accumulative unrecognised share of loss of an associate	**(4,817)**	(4,817)
Amount due from an associate	**652**	1,453

At 31 December 2024, the carrying amount of amount due from an associate of approximately HKD652,000 (2023: HKD1,453,000) was unsecured, interest-free and repayable on demand. No provision of loss allowance on the amount due from an associate was recognised for both current and prior year.

20. GOODWILL

	2024 HKD'000	2023 HKD'000
Cost:		
At 1 January and 31 December	**147,501**	147,501
Accumulated impairment loss:		
At 1 January and 31 December	**6,100**	6,100
Net book value:		
At 31 December	**141,401**	141,401

At 31 December 2024 and 2023, the carrying amount of goodwill is allocated to the business combinations of financial services business and healthcare products business under the branding segment of approximately HKD33,796,000 and HKD107,605,000 respectively.

For the impairment testing, the goodwill has been allocated to the respective cash-generating units of financial services business and healthcare products business separately. Their recoverable amounts are determined based on the higher of fair value less costs of disposal or value-in-use. The value-in-use calculations are derived from the most recent financial budgets approved by the management. The key inputs implemented in the value-in-use calculations reflect the best estimate of the past performance, expectation of market development and specific risks encountered in the underlying businesses.

The management assessed the recoverable amount of cash-generating units and as a result the carrying amount was written down to the recoverable amount, with an impairment loss of approximately HKD6,100,000 was recognised in profit or loss in prior years.

(i) Financial services business

For the financial services business, it covers a detailed budget plan, plus an extrapolated cash flow projection by applying a long-term growth rate subsequent to the budget plan, with a pre-tax discount rate of 9.5% (2023: 19.5%).

The key assumptions used in the budget plan are:

i. Cash flows beyond the budget plan are extrapolated by using an estimated 3% (2023: 0%) long-term growth rate; and

ii. Gross profit margins will be maintained at its current level throughout the budget plan.

20. GOODWILL *(Continued)*

(ii) Healthcare products business

For the healthcare products business, it covers a detailed budget plan, plus an extrapolated cash flow projection by applying a long-term growth rate subsequent to the budget plan, with a pre-tax discount rate of 15.1% (2023: 18.5%).

The key assumptions used in the budget plan are:

i. Cash flows beyond the budget plan are extrapolated by using an estimated 2.4% (2023: 2.5%) growth rate; and

ii. Gross profit margins will be maintained at its current level throughout the budget plan.

Except as described above in respect of the impairment of the goodwill of the healthcare product business in prior years, the management concluded that for all of the cash-generating units for both financial services and healthcare product business were sufficiently demonstrated, in any reasonable changes in key inputs used in the value-in-use calculations, the recoverable amounts exceeded the carrying amounts of the cash-generating units, and no further provision of impairment was recognised for both current and prior year.

21. INVENTORIES

	2024 HKD'000	2023 HKD'000
Raw materials	**3,125**	4,026
Work-in-progress	**566**	870
Finished goods	**38,883**	46,100
Goods-in-transit	**2,333**	8,225
	44,907	59,221
Provision of allowance	**(9,731)**	(11,369)
	35,176	47,852

21. INVENTORIES *(Continued)*

Movements of provision of allowance of inventories during the year were as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	**11,369**	4,787
(Reversal)/provision of allowance	**(1,172)**	6,709
Write off	**(113)**	–
Exchange realignment	**(353)**	(127)
At 31 December	**9,731**	11,369

A reversal of allowance of inventories of approximately HKD1,172,000 (2023: provision of allowance of approximately HKD6,709,000) was recognised in profit or loss during the year due to the increase (2023: decrease) in estimated net realisable value of certain categories of inventories as a result of increase (2023: decrease) in estimated scrap value.

22. TRADE AND OTHER RECEIVABLES

	2024 HKD'000	2023 HKD'000
Trade receivables arising from:		
– Other than financial services segment	**24,728**	35,570
– Financial services segment	**6,696**	8,494
Total gross carrying amount	**31,424**	44,064
Less: Loss allowance	**(5,611)**	(3,015)
Total net carrying amount after loss allowance	**25,813**	41,049
Prepayments, deposits and other receivables:		
Total gross carrying amount	**110,677**	191,377
Less: Loss allowance	**(9,259)**	(6,059)
Total net carrying amount after loss allowance	**101,418**	185,318
Total trade and other receivables	**127,231**	226,367

22. TRADE AND OTHER RECEIVABLES *(Continued)*

The following is an ageing analysis of trade receivables, net of loss allowance, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	2024 HKD'000	2023 HKD'000
0 to 30 days	15,218	26,678
31 to 60 days	1,045	1,737
61 to 90 days	631	787
Over 90 days	8,919	11,847
	25,813	41,049

The management measures the loss allowance of trade receivables through HKFRS 9 simplified approach by assuming all of the trade debtors share a similar credit risk characteristic under the lifetime ECL calculation. Provision matrix is used to measure the loss allowance of trade receivables. The default rates are based on the past due days by grouping of customers arising from different reportable segments with similar loss patterns. The ECL calculation reflects the probability-weighted outcome based on the Group's historical experience, adjusted for forward-looking factors specific to the debtors and the macroeconomic environment where the debtors located. Generally, the balance of trade receivables is written off in full if it is past due more than one year without any credit enhancement.

Trade receivables arising from other than financial services segment

The Group allows an average credit period ranged from 60 to 90 days (2023: 60 to 90 days) for its trade debtors arising from other than financial services segment.

Movements of loss allowance of trade receivables arising from other than financial services segment during the year were as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	2,210	845
Provision of loss allowance	2,405	1,557
Write off	(96)	(187)
Exchange realignment	85	(5)
At 31 December	4,604	2,210

22. TRADE AND OTHER RECEIVABLES *(Continued)*

Trade receivables arising from financial services segment

	2024 HKD'000	2023 HKD'000
Trade receivables arising from the ordinary course of business of dealing in securities:		
– Cash clients	**291**	1,173
– Clearing house	**22**	94
	313	1,267
Trade receivables arising from the ordinary course of business of the provision of:		
– Money lending	**6,383**	7,227
Total gross carrying amount	**6,696**	8,494
Less: Loss allowance	**(1,007)**	(805)
Total net carrying amount after loss allowance	**5,689**	7,689

Movements of loss allowance of trade receivables arising from financial services segment during the year were as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	**805**	189
Provision of loss allowance	**202**	616
At 31 December	**1,007**	805

Save for the credit period allowed by the Group, the settlement terms of trade receivables arising from the ordinary course of business of dealing in securities are either one or two trading days after the trade date depending on the categories of the underlying securities transactions are executed. The Group did not hold any securities collateral or other credit enhancement over the cash clients. In the view of the fact that those receivables related to a number of diversified cash clients and clearing house and there is no significant increase in credit risk since initial recognition and not credit-impaired at the end of reporting period, the amount of loss allowance under lifetime ECL assessment was immaterial to be recognised for both current and prior year.

22. TRADE AND OTHER RECEIVABLES *(Continued)*

Prepayments, deposits and other receivables

Movements of loss allowance of other receivables during the year were as follows:

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
Loss allowance:				
At 1 January 2023	664	–	4,077	4,741
Provision of allowance, net	1,318	–	–	1,318
At 31 December 2023	1,982	–	4,077	6,059
Provision of allowance, net	728	2,641	–	3,369
Exchange realignment	(169)	–	–	(169)
At 31 December 2024	2,541	2,641	4,077	9,259

The loss allowance of other receivables recognised during the year was limited to 12-month ECL calculation, except for those classified as stage 3 under the lifetime ECL calculation as described below, given that there is no significant increase in credit risk since initial recognition and are not credit-impaired at the end of reporting period. Therefore, the gross carrying amount of other receivables of approximately HKD76,076,000 (2023: HKD153,741,000) was classified as stage 1, and the lifetime ECL calculation was approximately HKD2,541,000 (2023: HKD1,982,000).

Other receivable with aggregate gross carrying amount of approximately HKD17,990,000 was classified as stage 2 due to significant increase in credit risk since initial recognition but not deemed to be credit–impaired at the end of reporting period. The loss allowance that subject to the lifetime ECL calculation of provision of allowance of approximately HKD2,641,000 was recognised in profit or loss during the year.

The definition of stages of default is set out in Note 24 to the consolidated financial statements.

The loss allowance of other receivables is related to certain counterparties who are slow in settlement and none of the balances are expected to be recovered in the remaining lifetime of the balances. At 31 December 2024, the gross carrying amount of credit-impaired receivables classified as stage 3 under the lifetime ECL calculation was approximately HKD4,077,000 (2023: HKD4,077,000).

As at 31 December 2024, included in the other receivables of approximately HKD34,524,000 (2023: HKD76,989,000) represented consideration receivables for disposal of PONY trademark in prior years.

23. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2024 **HKD'000**	2023 HKD'000
Directors and their associates	**26,033**	16,011
Other margin clients	**100,577**	119,323
	126,610	135,334

At 31 December 2024 and 2023, the carrying amount of advances to customers in margin financing arising from the margin financing business in Hong Kong was secured by listed equity securities, carried at average interest rates from Hong Kong Dollar Prime Rate ("**Prime Rate**") to Prime Rate plus 3% per annum and repayable on demand.

The amounts of credit facilities granted to the margin clients are determined by the discounted market value of listed equity securities accepted by the Group. The Group maintains a list of approved stocks for margin lending at certain specified loan-to-collateral ratios. Any excess in the ratios will trigger margin calls for the margin clients to settle the margin shortfalls.

At 31 December 2024, the total undiscounted market value of listed equity securities pledged in respect of the margin lending to the margin clients was approximately HKD384,261,000 (2023: HKD516,427,000). According to the client account opening agreements signed between the Group and margin clients, the Group is allowed to dispose of the listed equity securities pledged by the margin clients to settle their outstanding loan balances due to the Group.

Based on the result of the ECL calculation with reference to the discounted market value of listed equity securities, no provision of loss allowance was recognised for both current and prior years given that no significant default events of failure to repay the margin calls from any margin clients and the discounted market value of listed equity securities pledged were sufficiently covered the outstanding loan balances as at 31 December 2024 and 2023.

No ageing analysis is disclosed for advances to customers in margin financing, as in the opinion of the directors, an ageing analysis is not meaningful in the view of the business nature of margin financing. The maximum exposure of credit risk against the Group is the carrying amount at the end of reporting period.

24. LOANS RECEIVABLE

	2024 HKD'000	2023 HKD'000
Secured:		
Total gross carrying amount	**51,187**	59,251
Less: Loss allowance	**(5,453)**	(2,714)
	45,734	56,537

Movement of loss allowance of loans receivable during the year is as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	**2,714**	2,077
Provision of loss allowance	**2,739**	637
At 31 December	**5,453**	2,714

At 31 December 2024 and 2023, the carrying amount of loans receivable arising from the money lending business in Hong Kong was secured by mortgages over the borrowers' properties and listed equity securities in Hong Kong, carried at interest rates from 5% to 18% (2023: 12% to 18%) per annum and repayable within one year from the dates of advances to the borrowers or on demand.

24. LOANS RECEIVABLE *(Continued)*

Analysis of the gross carrying amount and loss allowance of loans receivable under different stages of default as at 31 December 2024 and 2023 were as follows:

	Stage 1 HKD'000	**Stage 2** HKD'000	**Stage 3** HKD'000	**Total** HKD'000
Gross carrying amount:				
At 1 January 2023	13,211	–	45,113	58,324
Transfer to Stage 2	(1,100)	1,100	–	–
Proceeds from new loans	986	–	–	986
Repayments of loans	(38)	–	(21)	(59)
At 31 December 2023	13,059	1,100	45,092	59,251
Transfer to Stage 3	–	(1,100)	1,100	–
Proceeds from new loans	7,675	–	–	7,675
Repayments of loans	(13,059)	–	(2,680)	(15,739)
At 31 December 2024	7,675	–	43,512	51,187
Loss allowance:				
At 1 January 2023	68	–	2,009	2,077
Transfer to Stage 2	(68)	68	–	–
Provision of allowance, net	–	130	507	637
At 31 December 2023	–	198	2,516	2,714
Transfer to Stage 3	–	(198)	198	–
Provision of allowance, net	158	–	2,581	2,739
At 31 December 2024	158	–	5,295	5,453

Loans receivable with aggregate gross carrying amount of approximately HKD7,675,000 (2023: HKD13,059,000) was classified as stage 1 due to limited exposure of credit risk and there is no significant increase in credit risk since initial recognition and not credit-impaired at the end of reporting period. Therefore, the provision of loss allowance was limited to 12-month ECL calculation of approximately HKD158,000 (2023: HKD nil) was recognised in profit or loss for the year.

Loans receivable with aggregate gross carrying amount of approximately HKD nil (2023: HKD1,100,000) was classified as stage 2 due to significant increase in credit risk since initial recognition but not deemed to be credit-impaired at the end of reporting period. The loss allowance that subject to the lifetime ECL calculation of provision of allowance of approximately HKD nil (2023: HKD130,000) was recognised in profit or loss during the year.

Loans receivable with aggregate gross carrying amount of approximately HKD43,512,000 (2023: HKD45,092,000) was classified as stage 3 due to significant increase in credit risk since initial recognition and credit-impaired at the end of reporting period. The loss allowance that subject to the lifetime ECL calculation of provision of allowance of approximately HKD2,581,000 (2023: HKD507,000) was recognised in profit or loss during the year.

24. LOANS RECEIVABLE *(Continued)*

Definition of stage 1, stage 2 and stage 3, collectively known as "stages of default" under the requirement of HKFRS 9 is as follows:

Stage 1: Exposure where the outstanding balance has not been recorded a significant increase in credit risk since the initial recognition and is not deemed to be credit-impaired at the end of reporting period, the proportion of lifetime ECL calculation associated with the probability of default events occurring within the next 12-months after the end of reporting period is recognised in profit or loss when it incurred.

Stage 2: Exposure where the outstanding balance has been recorded a significant increase in credit risk since the initial recognition but is not deemed to be credit-impaired at the end of reporting period, the lifetime ECL calculation which reflects the remaining lifetime of the associated balance is recognised in profit or loss when it incurred.

Stage 3: Exposure where the outstanding balance is credit-impaired at the end of reporting period, the lifetime ECL calculation is implemented when there is one or more events identified that has/have a detrimental impact against the repayment of interest and/or principal in the remaining lifetime of the associated balance, being the net amount after loss allowance, is recognised in profit or loss when it incurred.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 **HKD'000**	2023 HKD'000
Listed equity securities in Hong Kong	**12,602**	31,926
Unlisted investment	**69,107**	71,096
	81,709	103,022

Both of the listed equity securities in Hong Kong and unlisted investment are classified as financial assets at FVTPL under the requirement of HKFRS 9. The key inputs of fair value measurements are disclosed in Note 38(c) to the consolidated financial statements.

During the year, fair value loss on financial assets at FVTPL of approximately HKD23,648,000 (2023: HKD23,724,000) was recognised in profit or loss.

26. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

(a) Restricted bank deposits

At 31 December 2023, a restricted bank deposit of HKD20,000,000 was classified as non-current asset, denominated in HKD and carried at a fixed interest rate of 4.14% per annum. The bank deposit was restricted to access the amount on demand to secure a banking facility of USD26,900,000 (equivalent to approximately HKD210,121,000) granted to the Group.

At 31 December 2023, a restricted bank deposit of approximately HKD10,994,000 was classified as a non-current asset, and HKD20,021,000 was classified as a current asset denominated in RMB and carried at a fixed interest rate of 1.25% per annum. The bank deposit was restricted to access the amount on demand to secure a banking facility of RMB350,000,000 (equivalent to approximately HKD384,790,000) granted to the Group.

(b) Bank balances and cash – held on behalf of customers

The Group maintains trust and segregated account with a bank to hold bank balances on behalf of cash and margin clients arising from the regulated activities governed under the Securities and Futures Commission (the "**SFC**"). The Group has recognised the related bank balances as "bank balances and cash – held on behalf of customers" in the current assets and the related payables due to timing difference between trade date and settlement date as "trade payables" in the current liabilities (refer to Note 28 to the consolidated financial statements) given that the Group is liable for any loss or misappropriation of clients' bank balances under the "Securities and Futures Ordinance (Cap. 571)" (the "**SFO**") governed by the SFC.

At 31 December 2024, the balance of bank balances and cash held on behalf of customers was approximately HKD20,265,000 (2023: HKD23,927,000).

(c) Bank balances and cash

At 31 December 2024, the bank balances and cash comprised of time deposits with original maturity date less than 3 months with banks of approximately HKD5,337,000 (2023: HKD32,093,000), which carried at fixed interest rates from 2.93% to 3.39% (2023: 5.34% to 5.80%) per annum, and were withdrawn upon their respective dates of maturities. At 31 December 2024, the bank balances of approximately HKD77,239,000 (2023: HKD132,594,000) carried at market interest rates from 0.50% to 6.00% (2023: 0.50% to 6.00%) per annum.

At 31 December 2024, the bank balances and cash located in the PRC and denominated in RMB were approximately HKD46,533,000 (2023: bank balances and cash and restricted bank deposits of approximately HKD98,735,000). RMB is not freely convertible into any of the foreign currencies in the PRC. Under the "Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations" governed by the State Administration of Foreign Exchange in the PRC, the Group is permitted to exchange RMB into foreign currencies through the respective bank authorisation to conduct the foreign exchange businesses.

27. ASSETS CLASSIFIED AS HELD FOR SALE

	2024 HKD'000	2023 HKD'000
Investment properties		
Hong Kong *(Note (i))*	**231,000**	237,000
Beijing *(Note (ii))*	**489,866**	522,765
	720,866	759,765

Notes:

(i) As at 31 December 2024, the Group had committed a plan of disposal of an investment property in Hong Kong. As at 31 December 2024, the carrying value of the investment property was HKD231,000,000 (2023: HKD237,000,000). The Group had actively solicited but yet received reasonable offer. In response, the Group further reduced the price so that the investment property continued to be actively marketed at a price that was reasonable. As at 31 December 2024, the sales of the property was not yet completed and as a result, it remained presented as assets classified as held for sale in the consolidated financial statements. As a result of the valuation, a decrease in fair value of the investment property, net of tax, of approximately HKD6,000,000 (2023: approximately HKD24,500,000), and deferred tax charge thereon, of approximately HKD990,000 (2023: approximately HKD4,043,000), have been recognised in profit or loss included in "decrease in fair value of investment properties" during the year.

(ii) As at 31 December 2024, the Group had committed another plan of disposal of the investment property in Beijing with carrying value of HKD489,866,000 (2023: HKD522,765,000). The Group had actively solicited but yet received reasonable offer. In response, the Group further reduced the price so that the investment property continued to be actively marketed at a price that was reasonable. As at 31 December 2024, the sales of the property was not yet completed and as a result, it remained presented as assets classified as held for sale in the consolidated financial statements. As a result of the valuation, a decrease in fair value of the investment property, net of tax, of approximately HKD16,231,000, and deferred tax charge thereon, of approximately HKD1,623,000, have been recognised in profit or loss included in "decrease in fair value of investment properties" during the year.

28. TRADE AND OTHER PAYABLES

	2024 HKD'000	2023 HKD'000
Trade payables arising from:		
– Other than financial services segment	**172,419**	148,519
– Financial services segment	**20,224**	23,979
Total trade payables	**192,643**	172,498
Accruals, receipts in advance, temporary receipts and other payables	**156,816**	164,602
Total trade and other payables	**349,459**	337,100

28. TRADE AND OTHER PAYABLES *(Continued)*

The following is an ageing analysis of trade payables arising from other than financial services segment, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	2024 HKD'000	2023 HKD'000
0 to 30 days	136,600	121,248
31 to 60 days	31,792	21,940
61 to 90 days	3,310	3,239
Over 90 days	717	2,092
	172,419	148,519

The average credit period granted by the suppliers or service providers arising from other than financial services segment is approximately 90 days (2023: 90 days).

Trade payables arising from financial services segment

	2024 HKD'000	2023 HKD'000
Trade payables arising from the ordinary course of business of dealing in securities:		
– Cash clients	18,764	22,671
– Margin clients	1,460	1,308
	20,224	23,979

The balances of trade payables arising from financial services segment represented the outstanding balance due to cash and margin clients in respect of the bank balances temporarily received in the trust and segregated account held on behalf of cash and margin clients arising from the regulated activities governed under the SFC (refer to Note 26(b) to the consolidated financial statements). At 31 December 2024, the balance of the trust and segregated account was approximately HKD20,265,000 (2023: HKD23,927,000).

The settlement terms of trade payables arising from the ordinary course of business of dealing in securities are either one or two trading days after the trade date depending on the categories of the underlying securities transactions are executed. No ageing analysis is disclosed for the trade payables arising from financial services segment, as in the opinion of the directors, an ageing analysis is not meaningful in the view of the business nature of dealing in securities and margin financing.

29. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to offset under the same tax authorities. The following table is the analysis of the deferred tax balances for financial reporting purpose at 31 December 2024 and 2023:

	2024 HKD'000	2023 HKD'000
Deferred tax assets	**(12,760)**	(14,411)
Deferred tax liabilities	**331,922**	336,745
	319,162	322,334

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the related movements during the year were as follows:

	Revaluation of leasehold land and buildings HKD'000	**Revaluation of investment properties** HKD'000	**Accelerated tax depreciation** HKD'000	**Undistributed profits of the PRC subsidiaries** HKD'000	**Tax loss** HKD'000	**Fair value adjustment on intangible assets** HKD'000	**Total** HKD'000
At 1 January 2023	256,583	74,756	10,899	73	(36,393)	15,673	321,591
Charged to profit or loss	(556)	(11,104)	5,813	–	2,986	(331)	(3,192)
Charged to other comprehensive income	10,060	–	–	–	–	–	10,060
Exchange realignment	(4,682)	(1,616)	7	–	166	–	(6,125)
At 31 December 2023	261,405	62,036	16,719	73	(33,241)	15,342	322,334
Charged to profit or loss	(185)	(3,116)	(337)	–	1,868	(331)	(2,101)
Charged to other comprehensive income	6,350	–	–	–	–	–	6,350
Exchange realignment	(5,868)	(1,586)	(87)	–	120	–	(7,421)
At 31 December 2024	261,702	57,334	16,295	73	(31,253)	15,011	319,162

At 31 December 2024, a total amount of unused tax losses of approximately HKD1,061,270,000 (2023: HKD995,985,000) arising from different group entities is available to be offset against the future taxable profits available in the relevant tax jurisdictions. To the extent of approximately HKD183,044,000 (2023: HKD191,493,000) in respect of the unused tax losses was recognised as deferred tax assets at 31 December 2024 due to the future taxable profits and tax planning opportunities can be foreseen. For the year ended 31 December 2024, the Group had utilised the deferred tax asset arising from the unused tax losses of approximately HKD1,868,000 (2023: approximately HKD2,986,000) and did not write off or impair the balance of deferred tax assets for both current and prior year.

29. DEFERRED TAXATION *(Continued)*

Deferred tax assets not recognised

In accordance with the Group's accounting policy as set out in Note 4(m) to the consolidated financial statements, the Group has not recognised deferred tax assets in respect of the remaining unused tax losses of approximately HKD878,226,000 (2023: HKD804,492,000) due to the unpredictability of future taxable profits against the unused tax losses that can be utilised in the relevant tax jurisdictions. All of the unused tax losses can be carried forward indefinitely under the tax regulations, except for those arising from the PRC subsidiaries of approximately HKD163,378,000 (2023: HKD220,528,000), which can be carried forward only for five years from the recognition date of unused tax losses.

30. BANK BORROWINGS

	2024 HKD'000	2023 HKD'000
Current portion:		
Secured with variable interest-rate bank borrowings that are repayable:		
– within one year	**704,534**	813,760
Non–current portion:		
Secured with variable interest-rate bank borrowings that are repayable:		
– over one year but within two years	**250,115**	306,483
– over two years but within five years	**148,770**	229,721
– over five years	**36,985**	36,882
	435,870	573,086
Total bank borrowings	**1,140,404**	1,386,846

At 31 December 2024, the Group had secured with variable interest-rate bank borrowings, carried at interest rates from approximately 1.92% to 7.11% (2023: 1.92% to 7.87%) per annum. The weighted average effective interest rate charged during the year was approximately 5.44% (2023: 6.20%) per annum.

At 31 December 2024, the Group's the bank borrowings were secured by: (i) mortgages over the leasehold land and buildings, outlet mall buildings, investment properties (including investment properties in assets classified as held for sale), right-of-use assets and restricted bank deposits, with the respective carrying amounts of approximately HKD235,000,000, HKD1,480,900,000, HKD1,198,631,000, HKD401,253,000 and HKD nil (2023: HKD250,000,000, HKD1,532,925,000, HKD1,253,643,000, HKD428,258,000 and HKD51,015,000); (ii) shares of certain of the Company's subsidiaries; (iii) corporate guarantees provided by the Company and certain of its subsidiaries and a related party; and (iv) personal guarantee provided by directors of the Group, to secure the banking facilities offered to the Group.

At 31 December 2024 and 2023, all of the bank borrowings are repayable in accordance with the agreed repayment schedules subject to the fulfilment of covenants. If the Group breaches any of the covenants, the associated bank borrowings will become repayable on demand. Further details of the liquidity risk management is set out in Note 38(b)(iv) to the consolidated financial statements. At 31 December 2024 and 2023, none of the covenants had been breached.

30. BANK BORROWINGS *(Continued)*

At 31 December 2024, the Group was offered a total amount of banking facilities of approximately HKD1,720,029,000 (2023: HKD1,731,123,000) for the usage of bank borrowings available to the Group. At 31 December 2024, the Group had utilised bank borrowings of approximately HKD1,370,228,000 (2023: HKD1,386,846,000).

31. LEASE LIABILITIES

The following table shows the remaining future minimum lease payments under non-cancellable tenancy agreements recognised as lease liabilities at 31 December 2024 and 2023, which were fall due as follows:

	2024		2023	
	Present value of minimum lease payments HKD'000	**Total minimum lease payments HKD'000**	Present value of minimum lease payments HKD'000	Total minimum lease payments HKD'000
Within one year	**21,526**	**22,506**	17,255	18,168
Over one year but within two years	**14,170**	**16,183**	12,981	14,820
Over two years but within five years	**44,906**	**58,549**	41,650	54,451
Over five years	**107,502**	**201,129**	118,594	229,601
	166,578	**275,861**	173,225	298,872
	188,104	**298,367**	190,480	317,040
Less: Total future interest expenses		**(110,263)**		(126,560)
Present value of lease liabilities		**188,104**		190,480

31. LEASE LIABILITIES *(Continued)*

The analysis of the carrying amount of lease liabilities at 31 December 2024 and 2023 was as follows:

	Investment property HKD'000	**Properties leased for own use** HKD'000	**Motor vehicles** HKD'000	**Total** HKD'000
At 1 January 2023	190,017	–	133	190,150
Additions	–	1,128	–	1,128
Interest expenses	12,747	40	3	12,790
Repayments	(7,782)	(323)	(136)	(8,241)
Exchange realignment	(5,347)	–	–	(5,347)
At 31 December 2023	189,635	845	–	190,480
Additions	–	413	1,059	1,472
Interest expenses	12,583	70	32	12,685
Repayments	(9,482)	(718)	(141)	(10,341)
Exchange realignment	(6,192)	–	–	(6,192)
At 31 December 2024	186,544	610	950	188,104

The present value of the remaining future minimum lease payments under non-cancellable tenancy agreements is analysed as follows:

	2024 **HKD'000**	2023 HKD'000
Current liabilities	**21,526**	17,255
Non-current liabilities	**166,578**	173,225
	188,104	190,480

32. AMOUNT DUE FROM/(TO) A RELATED PARTY

	2024 **HKD'000**	2023 HKD'000
Amount due from a related party	**–**	2,089
Amount due to a related party	**106**	–

The related party is an entity commonly controlled by Mr. Cheng Tun Nei, who acts as Chairman, Chief Executive Officer and a substantial shareholder of the Company. At 31 December 2024 and 2023, the balance of amount due from/(to) a related party was unsecured, interest-free and repayable on demand.

32. AMOUNT DUE FROM/(TO) A RELATED PARTY *(Continued)*

Particulars of amount due from a related party disclosed pursuant to the Hong Kong Companies Ordinance are as follows:

	As at 1 January 2023 HKD'000	Maximum outstanding balance during the period HKD'000	As at 31 December 2023 HKD'000	Maximum outstanding balance during the period HKD'000	As at 31 December 2024 HKD'000
Amount due from a related party	–	2,089	2,089	**2,089**	**–**

33. AMOUNTS DUE TO DIRECTORS

	2024 HKD'000	2023 HKD'000
Amounts due to directors	**56,555**	59,892

At 31 December 2024 and 2023, the balance of amounts due to directors was unsecured, interest bearing and repayable on demand.

34. SHARE CAPITAL

	Number of shares ('000)	Nominal value HKD'000
Authorised:		
Ordinary shares of HKD0.10 (2023: HKD0.10) each		
At 1 January 2023 and 2024, 31 December 2023 and 2024	20,000,000	2,000,000
Issued and fully paid: *(Note (i))*		
Ordinary shares of HKD0.10 (2023: HKD0.10) each		
At 1 January 2023 and 2024, 31 December 2023 and 2024	2,974,225	297,422

Note:

(i) All of the ordinary shares issued by the Company credited as fully paid and ranked *pari passu* with the issued ordinary shares of the Company in all respects, except for not entitled to any distribution of dividend.

35. SHARE OPTION SCHEME

On 23 June 2023, shareholders of the Company have approved and adopted a share option scheme (the "**2023 Scheme**") for the purpose of providing eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

Pursuant to the 2023 Scheme, shares which may be issued upon exercise of all options to be granted under the 2023 Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue on the date of adoption. The Company may renew this 10% limit with shareholders' approval provided that each such renewal may not exceed 10% of shares in the Company in issue as at the date of the shareholders' approval.

Under the 2023 Scheme, the Directors may at their discretion grant options to eligible participants ("**Eligible Participants**") including: (i) the directors, chief executive and employees of the Company or any of its subsidiaries; (ii) the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) any person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including (a) suppliers of services to any member of the Group; and (b) advisors (professional or otherwise) or consultants to any area of business or business development of any member of the Group, but for the avoidance of doubt excludes placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity ("**Service Providers**").

The total number of Shares which may be issued upon the exercise of all options to be granted under the 2023 Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company shall not exceed 297,422,523, representing approximately 10.0% of the issued Shares ("**Scheme Mandate Limit**"). Within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 29,742,252 Shares, representing approximately 1.0% of the total issued Shares ("**Service Provider Sublimit**").

The total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any 12-month period up to the date of grant shall not exceed 1% of the total issued Shares at the date of grant ("**Individual Limit**"). Where it is proposed that any offer is to be made to an Eligible Participant (or where appropriate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the 12-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting.

Unless approved by the shareholders of the Company in a general meeting with the issue of a circular to the shareholders specifying the identity of the eligible participants, the number and terms of the share options to be granted or previously granted to the eligible participants, the board of directors shall not grant any share options to any eligible participants which, if exercised, would result the eligible participants becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares of the Company already issued or to be issued upon the exercise of the share options granted to the eligible participants (including those exercised or unexercised share options) under the 2023 Scheme or any other share option scheme adopted by the Company in any 12–month period would exceed 1% of the shares of the Company for issue on the date of approval.

35. SHARE OPTION SCHEME *(Continued)*

The period within which the share options must be exercised will be specified by the Company when the share options was granted. The offer of a grant of options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the options granted is determined by the Board, save that such a period shall not be more than 10 years from the date of offer of the options subject to the provisions for early termination as set out in the 2023 Scheme.

The subscription price of the shares of the Company to be issued upon the exercise of share options shall be no less than the higher of: (i) the closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date of offer of the options which must be a trading day; and (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediate preceding the date of offer. The subscription price of the shares of the Company will be approved by the board of directors at the time when the share options is offered to the eligible participants.

The details of the principal terms and conditions of the 2023 Scheme were summarised in the circular of the Company dated 28 April 2023.

No options have been granted under the 2023 Scheme since its adoption. The remaining life of the scheme is 8 years.

No share option was granted, exercised, cancelled, or lapsed and, there was no outstanding share option under the 2023 Scheme adopted by the Company.

The number of options available for grant under the Scheme Mandate Limit of the 2023 Scheme as at 1 January 2024 and 31 December 2024 were 297,422,522. The number of options available for grant under the Service Provider Sublimit of the 2023 Scheme as at 1 January 2024 and 31 December 2024 were 29,742,252.

36. RESERVES

The Company level	**Share premium** HKD'000	**Contributed surplus** HKD'000	**Accumulated losses** HKD'000	**Total** HKD'000
At 1 January 2023	1,071,657	586,774	(214,918)	1,443,513
Loss for the year	–	–	(16,111)	(16,111)
Forfeiture of unclaimed dividends	–	–	5	5
Dividend paid *(Note 12)*	–	–	(14,871)	(14,871)
At 31 December 2023	1,071,657	586,774	(245,895)	1,412,536
Loss for the year	–	–	(77,860)	(77,860)
Dividend paid *(Note 12)*	–	–	(14,871)	(14,871)
At 31 December 2024	1,071,657	586,774	(338,626)	1,319,805

36. RESERVES *(Continued)*

The following describes the nature and purpose of each reserve within the equity attributable to owners of the Company:

Name of reserve	Nature and purpose of reserve
Contributed surplus	Contributed surplus of approximately HKD63,561,000 represents the excess of fair value of shares of the subsidiaries acquired and the nominal value of the shares of the Company issued for the acquisition at the time of the group reorganisation on 9 February 1995. The remaining balance of approximately HKD523,213,000 represents the implementation of capital reduction in the prior year of 2012 in connection with the par value of each existing share as if HKD0.50 each in the issued capital of the Company was reduced by HKD0.40 each.
Share premium	A premium amount subscribed for the shares of the Company in excess of the nominal value of the shares of the Company and any excess of consideration shares of the Company issued over the carrying amount of the acquired non-controlling interests, less the amount of expenses incurred in connection with the issue.
Properties revaluation reserve	Fair value gains/(losses) arising on revaluation of properties (other than investment properties) and the accumulated balance is not distributable.
Translation reserve	Foreign exchange gains/(losses) arising from translation of net assets of foreign operations into the presentation currency of the Company at the end of reporting period.
Other reserve	Other reserve represents the difference between the consideration and the carrying amount of the net assets attributable to the additional and reduction of interests in subsidiaries being acquired from and disposed to non-controlling equity holders respectively.
Retained profits/ (accumulated losses)	Accumulated net gains/(losses) recognised in profit or loss.

The above reserves cannot be used for any purpose other than those for which they are created. Details of the movements of the Group's reserves are disclosed in the consolidated statement of changes in equity.

37. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' return that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure to reduce cost of capital and risks associated with each class of capital, including the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, raising new debts or sell assets to reduce debts in light of changes in economic conditions. The Group's overall strategy and capital structure remained similar against the prior year of 2023.

The Group monitors its capital structure on the basis of an adjusted net debt-to-equity ratio. For this purpose, the adjusted net debt is defined as total debt (which includes trade and other payables, amounts due to a related party and directors, lease liabilities and bank borrowings), less bank balances and cash. The total equity attributable to owners of the Company comprised of share capital and reserves.

The adjusted net debt-to-equity ratio at 31 December 2024 and 2023 were as follows:

	2024 HKD'000	2023 HKD'000
Trade and other payables	**349,459**	337,100
Amount due to a related party	**106**	–
Amounts due to directors	**56,555**	59,892
Lease liabilities	**188,104**	190,480
Bank borrowings	**1,140,404**	1,386,846
Total debt	**1,734,628**	1,974,318
Less:		
– Bank balances and cash	**(77,239)**	(132,594)
– Restricted bank deposits	**–**	(51,015)
Net debt	**1,657,389**	1,790,709
Total equity attributable to owners of the Company	**2,313,016**	2,531,009
Net debt-to-equity ratio	**72%**	71%

One of the Company's subsidiaries is registered with the SFC to conduct regulated activities governed under the SFC. The subsidiary is required to comply with the minimum liquid capital requirement under the Securities and Futures (Financial Resources) Rules (the "**SF(FR)R**") of the SFO. Under the SF(FR)R, the subsidiary must maintain at a certain level of liquid capital, being calculated by the assets and liabilities adjusted as determined by the SF(FR)R, in excess of the statutory floor requirement of HKD3,000,000 or 5% of the total adjusted liabilities, whichever is higher, and also maintain a 20% buffer of the required liquid capital. The directors monitor, on a daily basis, the required liquid capital of the subsidiary to ensure that it satisfies the minimum liquid capital requirement for both current and prior year.

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table provides the carrying amounts and fair values of the financial instruments, comprised of financial assets and financial liabilities, at 31 December 2024 and 2023:

	2024		2023	
	Carrying amount HKD'000	Fair value HKD'000	Carrying amount HKD'000	Fair value HKD'000
Financial assets:				
At fair value through profit or loss:				
– Listed equity securities in Hong Kong	**12,602**	**12,602**	31,926	31,926
– Unlisted investment	**69,107**	**69,107**	71,096	71,096
At amortised cost:				
– Trade and other receivables	**114,697**	***(Note)***	192,809	*(Note)*
– Amount due from a related party	**–**	**–**	2,089	*(Note)*
– Amounts due from joint ventures	**39,222**	***(Note)***	38,935	*(Note)*
– Amount due from an associate	**652**	***(Note)***	1,453	*(Note)*
– Advances to customers in margin financing	**126,610**	***(Note)***	135,334	*(Note)*
– Loans receivable	**45,734**	***(Note)***	56,537	*(Note)*
– Restricted bank deposits	**–**	***(Note)***	51,015	*(Note)*
– Bank balances and cash	**97,504**	***(Note)***	156,521	*(Note)*
Financial liabilities:				
At amortised cost:				
– Trade and other payables	**344,167**	***(Note)***	332,196	*(Note)*
– Amount due to a related party	**106**	***(Note)***	–	*(Note)*
– Amounts due to directors	**56,555**	***(Note)***	59,892	*(Note)*
– Bank borrowings	**1,140,404**	***(Note)***	1,386,846	*(Note)*
Financial instrument:				
– Lease liabilities	**188,104**	***(Note)***	190,480	*(Note)*

Note: The directors consider the carrying amounts of financial instruments measured at amortised cost were approximate to their fair values on the grounds that either of their maturity periods are short or their effective interest rates for interest-bearing financial instruments as disclosed in Note 38(b)(ii) to the consolidated financial statements were approximate to the relevant discount rates used to reflect the credit risks of the borrowers or the Group at 31 December 2024 and 2023.

38. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies

The Group's financial instruments as defined in Note 4(p) to the consolidated financial statements included financial assets at FVTPL, trade and other receivables, amounts due from joint ventures, an associate and a related party, advances to customers in margin financing, loans receivable, restricted bank deposits, bank balances and cash, trade and other payables, amounts due to a related party and directors, bank borrowings and lease liabilities.

Details of these financial instruments are disclosed in the respective notes to the consolidated financial statements. The risks associated with these financial instruments mainly include foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The policies on how to mitigate these risks are further disclosed as below. The management regularly reviews these exposures to ensure appropriate policies are implemented on a timely and effective manner to minimise the potential adverse impact on the financial position and financial performance of the Group.

(i) Foreign currency risk

At 31 December 2024 and 2023, there were subsidiaries of the Company exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and liabilities that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily those monetary assets and liabilities denominated in RMB and USD.

The Group did not enter into any financial derivatives to hedge against its foreign currency risk, as in the view of the directors, the associated foreign currency risk is not significant to the Group based on the result of the sensitivity analysis for both current and prior year.

The foreign currency risk exposure arising from the possible movement of exchange rate between HKD and USD on those monetary assets and liabilities denominated in USD was insignificant since HKD is pegged to USD for both current and prior year.

At 31 December 2024 and 2023, the carrying amounts of monetary assets and liabilities that were denominated in RMB mainly exposed the Group to foreign currency risk were as follows:

	Liabilities		Assets	
	2024	2023	**2024**	2023
	HKD'000	HKD'000	**HKD'000**	HKD'000
RMB	**29,600**	28,540	**32,504**	32,795

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(i) Foreign currency risk *(Continued)*

Sensitivity analysis

The following table details the sensitivity analysis of RMB/HKD. 5% is the sensitivity rate used when reporting the foreign currency risk internally to key management personnel and represents the management best estimate of the possible change of RMB/HKD in the foreseeable future. The sensitivity analysis includes only the monetary assets and liabilities that are denominated in RMB exposed the Group to foreign currency risk, with the adjustments arising from the translation of RMB/HKD at the end of each reporting period for a 5% change determined in the possible change of RMB/HKD. A positive (2023: positive) number below indicates a decrease in loss (2023: a decrease in loss) for the year, net of tax, and an increase (2023: an increase) in retained profits when RMB strengthens 5% against HKD at the end of reporting period. For a 5% weakening of RMB against HKD, there would be an equal and opposite impact against net loss (2023: net loss) for the year, net of tax, and retained profits, and the balances below would be negative (2023: negative).

For the purpose of presentation, the amount of foreign currency risk exposure are shown in HKD, being translated by using the spot rate of RMB/HKD at the end of reporting period.

	2024 **HKD'000**	2023 HKD'000
Decrease in loss for the year, net of tax	**145**	213

The above sensitivity analysis was determined by assuming that the possible change of RMB/HKD had been occurred at the end of reporting period and applied to those subsidiaries with foreign currency risk exposure in existence, and all other risk variables, in particular the market interest rate remained constant for both current and prior year.

The stated changes represent the best estimate by the management on the possible change of RMB/HKD over the period until the next annual reporting date. In this respect, it is assumed that the pegged USD/HKD would be materially unaffected by any changes in movement of RMB/HKD. The sensitivity analysis represents an aggregation of the effect on the affected subsidiaries during the year, being translated into HKD from RMB at the prevailing exchange rate at the end of reporting period for the purpose of presentation.

The key assumptions used in the sensitivity analysis is performed on the same basis for the prior year of 2023.

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will be fluctuated under the changes in market interest rate.

The Group is exposed to fair value interest rate risk mainly arises from fixed interest-rate bank deposits, loans receivable and lease liabilities. The directors consider that the associated fair value interest rate risk is insignificant due to the bank deposits and loans receivable are within short maturity periods for both current and prior years.

The Group is also exposed to cash flow interest rate risk mainly arises from variable interest-rate bank deposits, advances to customers in margin financing, cash clients including in trade receivables and bank borrowings. It is the Group's policy to keep certain of the bank deposits at floating interest rates in order to minimise the associated fair value interest rate risk for both current and prior year.

The Group's cash flow interest rate risk is mainly concentrated on the possible change of Hong Kong Interbank Offered Rate ("**HIBOR**"), Loan Prime Rate and the PBOC benchmark interest rate arising from the bank borrowings denominated in HKD, USD and RMB.

The Group did not enter into any financial derivatives to hedge against its exposure to interest rate risk. The management monitors the interest rate risk exposure on an ongoing basis.

Sensitivity analysis

The following details the sensitivity analysis for the possible change in net loss (2023: net loss) for the year, net of tax, and retained profits that would arise by assuming that the possible changes in the interest rates had been occurred at the end of reporting period and applied to remeasure the interest-bearing financial instruments held by the Group which expose to fair value interest rate risk at the end of reporting period. In respect of the cash flow interest rate risk arising from variable interest-rate financial instruments held by the Group, the impact on net loss (2023: net loss) for the year, net of tax, and retained profits is estimated as an annualised impact on interest expenses or income of such a change of interest rates.

The key assumptions used in the sensitivity analysis is performed on the same basis for the prior year of 2023.

A 50 basis point increase or decrease used when reporting the interest rate risk internally to key management personnel and represents the management best estimate of the possible change of interest rates in the foreseeable future.

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(ii) Interest rate risk *(Continued)*

Sensitivity analysis (Continued)

If the interest rates on bank deposits, advances to customers in margin financing and cash clients including in trade receivables were 50 basis points (2023: 50 basis points) higher/lower, with all other variables held constant, the net loss (2023: net loss) for the year, net of tax, would decrease/increase and retained profits would increase/decrease by approximately HKD901,000 (2023: HKD1,143,000) attributable to the cash flow interest rate risk exposure on variable interest–rate bank deposits, advances to customers in margin financing and cash clients including in trade receivables.

In addition, if the interest rates on bank borrowings were 50 basis points (2023: 50 basis points) higher/lower, with all other variables held constant, the net loss (2023: net loss), net of tax, would increase/decrease and retained profits would decrease/increase by approximately HKD4,761,000 (2023: HKD5,790,000) attributable to the cash flow interest rate risk exposure on variable interest-rate bank borrowings.

The stated changes represent the best estimate by the management on the possible changes of interest rates over the period until the next annual reporting date.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group's credit risk is primarily attributable to trade and other receivables, advances to customers in margin financing and loans receivable. The Group does not provide any financial guarantee which would expose the Group to credit risk for both current and prior year. The management has an appropriate credit policy and monitors the credit risk exposure on an ongoing basis.

In order to minimise the credit risk, the management has delegated a team who is responsible for determination of credit limits, credit approvals and other monitoring procedures on trade debtors who required individual credit evaluation to ensure that follow-up actions are taken immediately to recover overdue trade debts. To be specific, the evaluation focuses on the trade debtors' past history of making repayments when due and current ability to pay, market value of pledged securities, and taken into account of information specific to the trade debtors as well as pertaining to the macroeconomic environment where the trade debtors located. Ongoing credit evaluation is performed on the financial condition of trade debtors. Trade debtors with balances that are more than a reasonable period of past due are requested to settle all outstanding balances before any further credit is granted.

Except for the balance of advances to customers in margin financing and loans receivable, the Group does not obtain any securities collateral from trade debtors. However, the Group regularly reviews the recoverable amount of each individual trade debts at the end of each reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(iii) Credit risk *(Continued)*

Concentration of credit risk

(a) Other than financial services segment

The Group had a concentration of credit risk in relation to trade receivables arising from the trade debtors located in other than financial services segment was approximately 13% (2023: 39%) and 40% (2023: 43%) of gross trade receivables of these segments were due from the largest customer and top five customers respectively. These trade receivables were mainly for those trade debtors with sounded credit standing or with whom the Group had no default repayment history. The credit risk of trade debtors was limited because they are with good repayment history and the default risk arising from the market and geographical location where the trade debtors located has an influence on the credit risk but to a lesser extent.

(b) Financial services segment

Financial services segment has put in place a well–established credit policy governing the credit limits granted to customers. Customers were generally required to deposit listed equity securities, properties or other appropriate assets with the Group for securing their borrowings. The credit risks arising from these customers are regularly monitored by the management with reference to the realisable values of the securities collateral and individual credit risk assessments. For the default risk of the market and geographic location where the customers located also has an influence on the credit risk but to a extent. For the trade receivables arising from the clearing house is at a high credit standing and the management does not expect the clearing house will fail to meet any of its obligations.

The Group had a concentration of credit risk in relation to advances to customers in margin financing and loans receivable was 15% (2023: 15%) and 61% (2023: 59%) of gross receivables of this segment were due from the largest customer and top five customers respectively. These trade receivables were mainly for those customers with sounded credit standing or with whom the Group possessed the ownership over their securities collateral. Details of the credit quality and the maximum exposure to credit risk in terms of the advances to customers in margin financing and loans receivable are set out in Notes 23 and 24 to the consolidated financial statements, respectively.

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(iii) Credit risk *(Continued)*

Loss allowance calculation of trade receivables

The Group adopted the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECLs for all of the trade receivables balances. At 31 December 2024, the loss allowance of trade receivables was determined in the following provision matrix on the basis of the ageing analysis as disclosed in Note 22 to the consolidated financial statements. The ECLs below also incorporated forward-looking information and groupings of various customers' segments with similar loss patterns in the ECLs calculations, which reflected the probability-weighted outcome, time value of money and reasonable and supportable information that is available at the reporting date.

	Weighted average expected loss rate %	Gross carrying amount HKD'000	Loss allowance HKD'000
Gross carrying amount of trade debtors subject to provision matrix:			
0 to 30 days	6.1	16,202	984
31 to 60 days	22.1	1,341	296
61 to 90 days	29.0	889	258
91 to 180 days	25.4	4,867	1,237
More than 180 days	34.9	8,125	2,836
At 31 December 2024		31,424	5,611

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(iii) Credit risk *(Continued)*

Loss allowance calculation of trade receivables (Continued)

	Weighted average expected loss rate %	Gross carrying amount HKD'000	Loss allowance HKD'000
Gross carrying amount of trade debtors subject to provision matrix:			
0 to 30 days	1.2	27,008	330
31 to 60 days	11.0	1,951	214
61 to 90 days	12.6	900	113
91 to 180 days	16.6	1,406	233
More than 180 days	16.6	12,799	2,125
At 31 December 2023		44,064	3,015

Except for the loss allowance recognised on the amounts due from joint ventures, an associate and loans receivable that were calculated under the lifetime ECL calculations being classified as stage 2 or stage 3 as set out in Notes 18, 19 and 24 to the consolidated financial statements, the loss allowance of other receivables, advances to customers in margin financing was immaterial under 12-months ECL calculations being classified as stage 1 for both current and prior years. The credit risks on restricted bank deposits and bank balances and cash are limited because they are placed with reputable banks.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting of its obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the business operations and investments.

In the management of the liquidity risk, the management regularly monitors and maintains an optimal level of cash and cash equivalents and undrawn borrowing facilities deemed adequate by the management to finance the Group's business operations for meeting its liquidity requirement and mitigate the effects of fluctuations in cash flows at all times.

In addition, there is a minimum liquid capital requirement under the SF(FR)R and a constant need of funding for the financial services segment. The management aims to maintain flexibility in funding for the settlement of securities transactions, margin financing and loans to customers.

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(iv) Liquidity risk *(Continued)*

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities based on their agreed repayment terms. The table illustrated below is based on the undiscounted cash flows of financial liabilities according to the earliest date on which the Group can be required to pay. The table includes both principals and interests cash flows:

	Weighted average interest rate %	On demand or less than 1 month HKD'000	1–3 months HKD'000	3–12 months HKD'000	More than 1 year HKD'000	Total undiscounted cash flows HKD'000	Carrying amount at 31.12.2024 HKD'000
2024							
Non-derivative financial liabilities							
Trade and other payables	–	344,167	–	–	–	344,167	344,167
Amount due to a related party	–	106	–	–	–	106	106
Amounts due to directors	1.8	57,545	–	–	–	57,545	56,555
Bank borrowings	5.44	26,969	142,737	579,232	559,944	1,308,882	1,140,404
Lease liabilities	6.8	8,947	2,524	11,035	275,861	298,367	188,104
		437,734	145,261	590,267	835,805	2,009,067	1,729,336

	Weighted average interest rate %	On demand or less than 1 month HKD'000	1–3 months HKD'000	3–12 months HKD'000	More than 1 year HKD'000	Total undiscounted cash flows HKD'000	Carrying amount at 31.12.2023 HKD'000
2023							
Non-derivative financial liabilities							
Trade and other payables	–	332,196	–	–	–	332,196	332,196
Amounts due to directors	1.8	60,940	–	–	–	60,940	59,892
Bank borrowings	6.2	51,613	81,430	748,374	694,281	1,575,698	1,386,846
Lease liabilities	6.9	99	199	17,870	298,872	317,040	190,480
		444,848	81,629	766,244	993,153	2,285,874	1,969,414

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(v) Equity price risk

Equity price risk is the risk that the fair values of financial assets at FVTPL decrease as a result of the adverse changes of market prices.

The Group's listed equity securities in Hong Kong are listed in the Stock Exchange. Decisions to buy or sell the securities are based on daily monitoring of their performance compared to that of the Hang Seng Index, other market factors and the liquidity needs of the Group.

The Group's unlisted investment was held for trading purposes. The performance of the Group's unlisted investment is assessed regularly against the performance of investment.

The following table demonstrates the sensitivity analysis to every 10% (2023: 10%) change in the fair values of which the directors expect the possible changes of financial assets at FVTPL, with all other variables held constant and before tax, based on their carrying amounts at the end of reporting period.

	Increase/ (decrease) in fair value %	Decrease/ (increase) in loss before income tax expense HKD'000	Increase/ (decrease) in retained profits HKD'000
2024			
Listed equity securities in Hong Kong	**10**	**1,260**	**1,260**
Unlisted Investment	**10**	**6,911**	**6,911**

	Increase/ (decrease) in fair value %	Decrease/ (increase) in loss before income tax expense HKD'000	Increase/ (decrease) in retained profits HKD'000
2023			
Listed equity securities in Hong Kong	10	3,193	3,193
Unlisted Investment	10	7,110	7,110

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(vi) Offsetting financial assets and financial liabilities

The following tables represent details of the Group's financial assets and liabilities subject to offsetting, restricted by the enforceable master netting arrangements or similar agreements between the Group and Hong Kong Securities Clearing Company Limited ("**HKSCC**") at 31 December 2024 and 2023.

	Financial assets subject to offsetting					
				Related amounts not offset in the consolidated statement of financial position		
	Gross amount of recognised financial assets	Gross amount of recognised financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position	Financial instruments other than cash collateral	Cash collateral received	Net amount
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 31 December 2024						
Trade receivables from HKSCC	**11,890**	**(11,868)**	**22**	**–**	**–**	**22**
At 31 December 2023						
Trade receivables from HKSCC	10,983	(10,889)	94	–	–	94

	Financial liabilities subject to offsetting					
				Related amounts not offset in the consolidated statement of financial position		
	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position	Financial instruments other than cash collateral	Cash collateral received	Net amount
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 31 December 2024						
Trade payables from HKSCC	**11,868**	**(11,868)**	**–**	**–**	**–**	**–**
At 31 December 2023						
Trade payables from HKSCC	10,889	(10,889)	–	–	–	–

38. FINANCIAL INSTRUMENTS *(Continued)*

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

(vi) Offsetting financial assets and financial liabilities *(Continued)*

The tables below reconcile the amounts of trade and other receivables, and trade and other payables as presented in the consolidated statement of financial position as at 31 December 2024 and 2023:

	2024 HKD'000	2023 HKD'000
Trade and other receivables		
Net amount of trade receivables from HKSCC	22	94
Trade and other receivables not within the scope of offsetting disclosure	127,209	226,273
Trade and other receivables as disclosed in the consolidated statement of financial position	127,231	226,367

	2024 HKD'000	2023 HKD'000
Trade and other payables		
Trade and other payables not within the scope of offsetting disclosure	349,459	337,100
Trade and other payables as disclosed in the consolidated statement of financial position	349,459	337,100

(c) Fair value measurements

The following table presents the fair value of the Group's financial instruments measured at the end of reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the key inputs used in the respective valuation techniques by the Group as follows:

- Level 1 valuation: Fair value measured using only Level 1 key inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuation: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuation: Fair value measured using significant unobservable inputs.

38. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements *(Continued)*

The directors consider that the carrying amounts of financial instruments measured at amortised cost at 31 December 2024 and 2023 approximated to their fair values on the grounds that either of their maturity periods are short or their effective interest rates approximated to the relevant discount rates.

There was no change in the valuation techniques and transfers between Level 1 and Level 2, or transfers into or out of Level 3 fair value hierarchy for both current and prior year. The Group's accounting policy is to recognise transfers between levels of fair value hierarchy at the end of reporting period in which they occur.

The following table provides an analysis of financial instruments measured at fair value. The listed equity securities in Hong Kong was classified as Level 1 and the unlisted investment is classified as Level 3. The classification was based on the degree to which the key inputs used in the fair value measurements are observable and the significance of adjustments to the key inputs used in the fair value measurements.

	2024 HKD'000	2023 HKD'000
Level 1		
– Listed equity securities in Hong Kong	**12,602**	31,926
Level 3		
– Unlisted investment	**69,107**	71,096

Information about Level 1 fair value measurements

For the listed equity securities in Hong Kong classified as Level 1, the Group's management uses the closing market prices of the identical securities as at 31 December 2024 and 2023 to perform the fair value measurement.

Information about Level 3 fair value measurements

In April 2018, the Group entered into an agreement with a third party investor for the purpose of forming two special purpose acquisition companies (the "**SPAC 1**" and "**SPAC 2**") by raising sizeable capital to acquire potential business targets through listing on NASDAQ. According to the agreement, the Group will share the proceeds from the disposal equally with the third party investor. The SPAC 1 was successfully listed on NASDAQ and had completed the lock-up period in prior years. In 2021, the third party investor had exchanged the underlying SPAC 1 investment into a security listed in Hong Kong. Up to date of approval and authorisation for issuance of these consolidated financial statements, the SPAC 2 has not yet launched.

38. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements *(Continued)*

Information about Level 3 fair value measurements *(Continued)*

The fair value of the investment was previously determined by adjusting the closing market price with certain significant unobservable inputs, including risk-free rate and discount of lack of marketability ("**DLOM**") before the completion of the lock-up period. The fair value was negatively correlated to both risk-free rate and DLOM. After the lock-up period, the risk-free rate and DLOM inputs no longer exist. As at 31 December 2024 and 2023, the probability of default of this investment is considered to be minimal. The Group's management estimated that with other variables held constant, an increase in probability of default in 5% would have decreased the fair value of the investment by approximately HKD3,455,000 for the year ended 31 December 2024 (2023: HKD3,555,000).

Reconciliations of the opening and closing balance of financial instruments classified as level 3 fair value hierarchy are provided as follows:

	2024 HKD'000	2023 HKD'000
Unlisted investment		
At 1 January	**71,096**	72,839
Decrease in fair value	**(1,989)**	(1,743)
At 31 December	**69,107**	71,096

The fair value loss of the unlisted investment of approximately HKD1,989,000 (2023: HKD1,743,000) was mainly attributable to a reduction of market price of the underlying investment.

39. CONTINGENT LIABILITIES

Except for the potential tax liabilities with respect to the potential tax penalty arising from the late filing of the PRC tax returns for reporting the PRC Enterprise Income Tax to the PRC tax authority as disclosed in Note 9 to the consolidated financial statements, the Group had no other contingent assets or contingent liabilities required to be recognised or disclosed in the consolidated financial statements at 31 December 2024 and 2023.

40. OPERATING LEASES COMMITMENTS

As a lessee

During the year, the Group incurred minimum and contingent lease payments in respect of its office premises, staff quarters, warehouses and retail shops under non–cancellable tenancy agreements for those qualified under the recognition exemptions of HKFRS 16, which were recognised as short–term leases expenses in profit or loss disclosed as follows:

	2024 HKD'000	2023 HKD'000
Operating lease expenses comprised of:		
Minimum lease payments		
– Office premises	949	1,309
– Staff quarters	132	151
– Warehouses	290	519
– Retail shops	1,256	248
	2,627	2,227
Contingent lease payments	149	884
	2,776	3,111

Among the contingent lease payments, the Group leased a number of retail shops which contain contingent lease payment terms that are calculated based on the relevant shops' revenue generated and minimum lease payment terms that are fixed for both current and prior year. The amount of such contingent lease payments to be incurred in the future cannot be readily estimated in advance and is excluded in the calculation of lease commitment as disclosed above.

40. OPERATING LEASES COMMITMENTS *(Continued)*

As a lessor

Rental income generated by leasing the investment properties held by the Group during the year was approximately HKD57,180,000 (2023: HKD56,796,000). Tenants who located in those investment properties were committed with the Group for leasing the properties for the next one to thirteen years (2023: one to fourteen years). Rental income arising from the sub-leasing of retail shops in the community mall located in Tianjin, the PRC, during the year was approximately HKD12,510,000 (2023: HKD10,712,000).

The Group had the following future minimum lease receivables under non–cancellable tenancy agreements, which were entitled to be received at 31 December 2024 and 2023:

	2024 HKD'000	2023 HKD'000
Within 1 year	**40,395**	36,563
After 1 year but within 2 years	**34,349**	20,114
After 2 years but within 3 years	**19,476**	15,970
After 3 years but within 4 years	**11,530**	9,398
After 4 years but within 5 years	**10,201**	7,737
After 5 years	**55,644**	46,645
	171,595	136,427

41. CAPITAL COMMITMENTS

At 31 December 2024 and 2023, the Group had the following material contractual capital commitments not provided for in the consolidated financial statements:

	2024 HKD'000	2023 HKD'000
Contracted for but not provided		
– Construction costs of outlet mall buildings located in Shenyang, the PRC	**8,113**	7,662
– Construction costs of brewery located in Japan	**–**	1,428
	8,113	9,090

42. RETIREMENT BENEFITS SCHEME

The Group operates a defined contribution retirement plan under the Mandatory Provident Fund Scheme (the "**MPF Scheme**") applied for all of its qualifying employees in Hong Kong, who are eligible to participate. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group under the control of the independent trustees. Under the rules of the MPF Scheme, both employer and its employees are required to contribute for the MPF Scheme on a specific percentage of the qualifying employees' basic salaries. The only obligation of the Group with respect to the MPF Scheme, which is to contribute 5% of the employees' basic salaries or HKD1,500 per month in maximum under the MPF Scheme and charged to profit or loss.

The Company's subsidiaries operate in the PRC are the members of the state-managed retirement benefits scheme, namely the Central Provident Fund operated by the relevant PRC tax authorities. The related contributions are determined based on a certain percentage of the monthly salaries of the relevant subsidiaries' employees, and charged to profit or loss once the amount of contributions become payable by these subsidiaries with the rules specified in the scheme. The Group has no other obligations under the scheme other than the contributions to the Central Provident Fund for both current and prior year.

In addition, the Group also participates in defined contribution retirement schemes organised by the relevant local government authorities in other jurisdictions where the Group operates. Certain employees of the Group are eligible for participating in the retirement benefits schemes are entitled to the retirement benefits from the relevant schemes. As a result, the Group is required to contribute to the retirement schemes upon the retirement of the eligible employees, excluding those employees who resigned before their respective retirements, at a percentage that is specified by the local governments.

During the year of 2024 and 2023, no forfeited contributions made by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions may be used by the Group, as the employer, to reduce existing level of contributions. As at 31 December 2024 and 2023, the Group had no significant obligation apart from the contributions as stated above.

43. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the year, the Group had entered into the following transactions with the related parties:

	2024 HKD'000	2023 HKD'000
Mr. Cheng Tun Nei and his associates:		
Commission income from securities brokerage	**12**	2
Interest income from margin financing	**913**	1,222
Motor vehicle expenses	**78**	78
Total amount of margin financing facilities granted *(Note (i))*	**17,000**	17,000
Maximum outstanding balance of margin loans issued	**16,596**	16,628
Mr. Lee Cheung Ming and his associates:		
Interest income from margin financing	**1,036**	965
Total amount of margin financing facilities granted *(Note (i))*	**15,000**	15,000
Maximum outstanding balance of margin loans issued	**11,558**	11,583
Mr. Chan Kar Lee Gary:		
Commission income from securities brokerage	**–**	3
Other related parties:		
Interest income from a joint venture	**1,629**	2,913
Purchase of goods from an associate	**199**	687
Sales of goods to an associate	**2,572**	385
Provision of services in sourcing, engaging and managing manufacturers to manufacture "SKINS" products and purchase a variety of products from IPA *(Note (ii))*	**–**	11,192

Notes:

(i) Mr. Lee Cheung Ming ("**Mr. Lee**") who is the Executive Director of the Company entered into a margin financing agreement with the Group, with a facility amount of HKD15,000,000 (2023: HKD15,000,000) granted to Mr. Lee for securities trading transaction. The balance of margin financing granted to Mr. Lee was secured by a cash deposit of HKD15,000,000 (2023: HKD15,000,000) or assets of equivalent value in his securities account maintained with the Group, interest-bearing at Prime Rate plus 3% (2023: Prime Rate plus 3%) per annum.

Margin financing agreement granted to Mr. Cheng Tun Nei ("**Mr. Cheng**") and a company wholly-owned by Mr. Cheng, which is secured by a cash deposit of HKD17,000,000 (2023: HKD17,000,000) or assets of equivalent value in their securities accounts in aggregate maintained with the Group, interest-bearing at Prime Rate plus 3% (2023: Prime Rate plus 3%) per annum.

(ii) On 20 December 2021, the Company, the subsidiary of the Company, SYM ITO Sales & Distribution Company Limited and ITOCHU Textile Prominent (Asia) Limited ("**IPA**") entered into a Master Manufacturing and Licensing Agreement with the term from 20 December 2021 to 31 December 2023 for the provision of services in sourcing, engaging and managing manufacturers to manufacture "SKINS" products and purchase a variety of products from IPA, including but not limited to "SKINS" products and other branded products sourced by IPA.

43. RELATED PARTY DISCLOSURES *(Continued)*

(a) Related party transactions *(Continued)*

The related party transactions disclosed in Note (i) and (ii) above are constituted as continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed "Continuing Connected Transactions" of the Directors' Report for both current and prior years.

(b) Key management personnel's emoluments

Regarding to Note 11 to the consolidated financial statements, the emoluments of the directors and the senior management who are defined as the key management personnel during the year were as follows:

	2024 **HKD'000**	2023 HKD'000
Salaries, welfare and other expenses	**12,897**	11,344
Contributions to defined contribution retirement plans	**180**	152
	13,077	11,496

The emoluments of the directors and the senior management was reviewed and approved by the remuneration committee of the Company after taken into account of their relevant experience, qualifications, business performance, market practices and competitive market conditions as further disclosed in the Directors' Report and Corporate Governance Report.

44. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2024 HKD'000	2023 HKD'000
Non-current assets			
Investments in subsidiaries	45	27,430	27,430
Intangible assets		45,613	45,613
Amounts due from subsidiaries		2,286,022	2,384,842
Restricted bank deposits		–	20,000
Total non-current assets		2,359,065	2,477,885
Current assets			
Other receivables		885	1,008
Bank balances and cash		2,586	33,480
Total current assets		3,471	34,488
Current liabilities			
Other payables		8,028	5,207
Amounts due to directors		36,409	36,399
Bank borrowings		483,960	411,997
Total current liabilities		528,397	453,603
Net current liabilities		(524,926)	(419,115)
Total assets less current liabilities		1,834,139	2,058,770
Non-current liabilities			
Bank borrowings		216,912	348,812
NET ASSETS		1,617,227	1,709,958
Equity			
Share capital	34	297,422	297,422
Reserves	36	1,319,805	1,412,536
TOTAL EQUITY		1,617,227	1,709,958

Approved and authorised for issue by the board of directors and were signed on its behalf by:

Cheng Tun Nei
Director

Chan Kar Lee Gary
Director

45. INVESTMENTS IN SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2024 and 2023 were as follows:

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued share capital/ registered capital paid up	Effective interest in issued share capital/ registered capital paid up held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Cosmo Group Holdings Limited	The British Virgin Islands	Ordinary paid-up shares of USD10,000	100%	–	100%	–	Investment holding
Tak Jin Management Services Limited	Hong Kong	Ordinary paid-up share of HKD1	–	100%	–	100%	Provision of accountancy, secretarial and management services
Kwan Tai Resources Limited	Hong Kong	Ordinary paid-up shares of HKD10	–	100%	–	100%	Property investment
Yue Hing Holdings Limited	Hong Kong	Ordinary paid-up shares of HKD2	–	100%	–	100%	Property investment
新羚步(上海)國際貿易有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of USD2,885,000	–	100%	–	100%	Property investment
Worldwide Properties Limited	Hong Kong	Ordinary paid-up shares of HKD10,000	–	100%	–	100%	Property investment
SYM Development Limited	Hong Kong	Ordinary paid-up shares of HKD2	–	100%	–	100%	Property investment
Chung Wah Elite Company Limited	Hong Kong	Ordinary paid-up shares of HKD100	–	100%	–	100%	Investment holding
Premier Ever Group Limited	The British Virgin Islands	Ordinary paid-up shares of USD63,068,127	–	100%	–	100%	Investment holding
Frontlead Holdings Limited	The British Virgin Islands	Ordinary paid-up share of USD1	–	100%	–	100%	Investment holding
Rivergold International Limited	The British Virgin Islands	Ordinary paid-up shares of USD78,364,080	–	100%	–	100%	Investment holding

45. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued share capital/ registered capital paid up	Effective interest in issued share capital/ registered capital paid up held by the Company 2024 Directly	2024 Indirectly	2023 Directly	2023 Indirectly	Principal activities
Orton Holdings Limited	Hong Kong	Ordinary paid-up share of HKD1	–	100%	–	100%	Investment holding
Good Developments Limited	Hong Kong	Ordinary paid-up shares of HKD2	–	100%	–	100%	Investment holding
瀋陽奧特萊斯房地產開發有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of USD70,766,000	–	100%	–	100%	Property investment
瀋陽尚柏百貨有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of USD12,000,000	–	100%	–	100%	Operation and management of outlet malls
China Rise Finance Group Company Limited	Hong Kong	Ordinary paid-up shares of HKD10,000	–	100%	–	100%	Investment holding
China Rise Securities Asset Management Company Limited	Hong Kong	Ordinary paid-up shares of HKD143,000,000	–	100%	–	100%	Provisions of securities brokerage, underwriting and placing of listed securities, margin financing and financial consultancy services
China Rise Finance Co., Limited	Hong Kong	Ordinary paid-up shares of HKD10,000	–	100%	–	100%	Provision of money lending service
Giant Fortune International Limited	The British Virgin Islands	Ordinary paid-up share of USD1	–	100%	–	100%	Investment in unlisted investment
China Rise Capital Co., Limited *(Note (vi))*	Hong Kong	Ordinary paid-up share of HKD1	N/A	N/A	–	100%	Investment holding

45. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued share capital/ registered capital paid up	Effective interest in issued share capital/ registered capital paid up held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
JFT Holdings Limited	Hong Kong	Ordinary paid-up shares of HKD316,000,000	–	100%	–	100%	Provision of information technology, corporate services and portfolio management and investment of listed equity securities
Profit Guaranteed Assets Limited	Hong Kong	Ordinary paid-up shares of HKD2	–	100%	–	100%	Provisions of accountancy, legal, secretarial and cruiser services
JFT China Limited	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of RMB23,611,365	–	100%	–	100%	Trading, retailing and distribution of swimming apparel and accessories
上海尚柏體育發展有限公司 *(Note (iii))*	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of RMB1,000,000	N/A	N/A	–	100%	Trading, retailing and distribution of swimming apparel and accessories
杭州朗旌網絡科技有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of RMB2,000,000	–	100%	–	100%	Trading, retailing and distribution of swimming apparel and accessories
Yifeng (Xiamen) Trading Limited	The PRC (wholly-owned foreign enterprise)	Registered paid-up capital of USD1,000,000	–	100%	–	100%	Operation and management of fashion stores
Pony International Limited	Hong Kong	Ordinary paid-up shares of HKD2	–	100%	–	100%	Sublicensing of trademark rights, trading and wholesales of sportswear
Super Jumbo Holdings Limited	The British Virgin Islands	Ordinary paid-up share of USD1	–	100%	–	100%	Development and management of "MY LITTLE PONY" trademarks
Symphony Trademark Inc.	The United States	Ordinary paid-up share of USD1	–	100%	–	100%	Sublicensing of trademark rights

45. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued share capital/ registered capital paid up	Effective interest in issued share capital/ registered capital paid up held by the Company 2024 Directly	2024 Indirectly	2023 Directly	2023 Indirectly	Principal activities
Symphony Singapore Enterprise Pte. Ltd.	Singapore	Ordinary paid-up shares of SGD100	–	100%	–	100%	Sublicensing of trademark rights
Aggressive Resources Limited ("**Aggressive Resources**") *(Note (iv))*	The British Virgin Islands	Ordinary paid-up shares of USD50,000	–	85.65%	–	85.65%	Investment holding
Supremium Bio–Technology Limited	Hong Kong	Ordinary paid-up shares of HKD10,000	–	85.65%	–	85.65%	Manufacturing, developing and retailing of healthcare products
Kingxin International Investment Limited	The British Virgin Islands	Ordinary paid-up shares of USD50,000	–	100%	–	100%	Investment holding
HK Asia Gain International Investment Limited	Hong Kong	Ordinary paid-up shares of HKD28,000,000	–	100%	–	100%	Investment holding
重慶雲太美每家商業運營管理有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up shares of RMB260,000,000	–	100%	–	100%	Property investment
Majestic City Group Limited	The British Virgin Islands	Ordinary paid-up share of USD1	–	100%	–	100%	Investment holding
Majestic City (Hong Kong) Limited	Hong Kong	Ordinary paid-up share of HKD1	–	100%	–	100%	Investment holding

45. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ registration and operation	Particulars of issued share capital/ registered capital paid up	Effective interest in issued share capital/ registered capital paid up held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Xiamen Park Outlets Property Co., Ltd.	The PRC (wholly-owned foreign enterprise)	Registered paid-up shares of USD75,000,000	–	100%	–	100%	Property investment
廈門尚柏奧萊商業管理有限公司	The PRC (wholly-owned foreign enterprise)	Registered paid-up shares of RMB50,000,000	–	100%	–	100%	Operation and management of outlet malls
Grand Galatica Limited	The British Virgin Islands	Ordinary paid-up shares of USD100	–	100%	–	100%	Holding of club debenture
State Glory (Hong Kong) Trading Limited	Hong Kong	Ordinary paid-up share of HKD1	–	100%	–	100%	Investment holding
SYM ITO Sales & Distribution Company Limited ("**SYM ITO**") *(Note (v))*	Hong Kong	Ordinary paid-up shares of USD4,000,000	85%	–	85%	–	Trading and wholesales of "SKINS" products
State Glory (UK) Trading Limited	United Kingdom (wholly owned foreign enterprise)	Ordinary paid-up share of GBP1	–	85%	–	85%	Trading and wholesales of "SKINS" products
State Glory (Aus) Trading Pty Ltd	Australia (wholly owned foreign enterprise)	Ordinary paid-up share of AUD1	–	85%	–	85%	Trading and wholesales of "SKINS" products
Symphony Yoshida Brewery Co., Ltd.	Japan (wholly–owned foreign enterprise)	Registered paid-up shares of JYP10,000,000	–	52.15%	–	52.15%	Manufacture and sale of alcoholic beverages and food

45. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Notes:

(i) None of the Company's principal subsidiaries listed above issued or had any debt securities outstanding at the end of reporting period.

(ii) The Company's principal subsidiaries listed above of which, in the opinion of the directors, principally affected either the Group's financial position or financial performance for the year. In addition, in order to give details of other subsidiaries of the Company will be, in the opinion of the directors, resulted in excessive length of particulars to be shown after an extensive level of efforts exerted.

(iii) During the year ended 31 December 2024, the company was deregistered.

(iv) During the year ended 31 December 2023, the Group acquired 14.35% equity interest in Aggressive Resources from an independent third party at a consideration of HKD26,000,000, with outstanding payable amounting to HKD4,500,000. The Group's equity interest in Aggressive Resource increased from 71.30% to 85.65%.

The transaction was accounted for as transaction within the shareholders of Aggressive Resources in their capacity as equity holder. The difference between the consideration paid and the carrying value of net assets acquired of in an equity transaction with non-controlling interest resulted from the change in the Group's ownership interest in a subsidiary, amounting to approximately HKD23,278,000 was charged in equity of other reserve and a decrease of approximately HKD2,722,000 was recognised in non-controlling interest.

During the year ended 31 December 2024, the outstanding payable amounting to HKD4,500,000 was settled.

(v) During the year ended 31 December 2023, the Group acquired 25% equity interest in SYM ITO from IPA at a consideration of USD1,000,000 (equivalent to approximately HKD7,811,000). The Group's equity interest in SYM ITO increased from 60% to 85%.

The transaction was accounted for as transaction within the shareholders of SYM ITO in their capacity as equity holder. The difference between the consideration paid and the carrying value of net assets acquired of in an equity transaction with non-controlling interest resulted from the change in the Group's ownership interest in a subsidiary, amounting to approximately HKD7,240,000 was charged in equity of other reserve and a decrease of approximately HKD571,000. Details of which were disclosed in the announcement of the Company dated 5 December 2023.

(vi) During the year ended 31 December 2024, the company was transferred to Mr. Cheng Chun Lung, a director of the subsidiary of the Company. The company ceased to be a subsidiary of the Company.

46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash and cash equivalent comprised of

	2024 HKD'000	2023 HKD'000
Bank balances and cash available on demand	**21,126**	26,427
Bank balances and cash restricted in the PRC	**50,776**	74,074
Time deposits	**5,337**	32,093
	77,239	132,594
Significant non-cash transactions arising from:		
Investing activities		
Consideration receivable from disposal of interests in a joint venture	**–**	35,266
Additions of right-of-use assets arising from lease arrangement for property	**413**	1,128
Additions of right-of-use assets arising from hire purchase arrangement for motor vehicles	**1,059**	–
Financing activity		
Acquisition of further interests in a subsidiary	**–**	(4,500)

46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities

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

	Bank borrowings HKD'000 *(Note 30)*	Amount due to a related party HKD'000 *(Note 32)*	Amount due to directors HKD'000 *(Note 33)*	Lease liabilities HKD'000 *(Note 31)*	Total HKD'000
At 1 January 2024	1,386,846	–	59,892	190,480	1,637,218
Changes from financing cash flows:					
Proceeds from bank borrowings	231,736	–	–	–	231,736
Repayments of bank borrowings	(464,163)	–	–	–	(464,163)
Repayment from a related party	–	106	–	–	106
Repayments to directors	–	–	(4,846)	–	(4,846)
Repayments of lease liabilities	–	–	–	(10,341)	(10,341)
Interest paid	(79,266)	–	–	–	(79,266)
Total changes from financing cash flows	(311,693)	106	(4,846)	(10,341)	(326,774)
Other changes:					
Exchange realignment	(14,015)	–	(728)	(6,192)	(20,935)
Interest expenses	79,266	–	2,237	12,685	94,188
Increase in lease liabilities from entering into new lease arrangement for property and hire purchase agreement for motor vehicles	–	–	–	1,472	1,472
Total other changes	65,251	–	1,509	7,965	74,725
At 31 December 2024	1,140,404	106	56,555	188,104	1,385,169

46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities *(Continued)*

	Bank borrowings HKD'000 *(Note 30)*	Amount due to a joint venture HKD'000 *(Note 18)*	Amount due to a related party HKD'000 *(Note 32)*	Amount due to directors HKD'000 *(Note 33)*	Lease liabilities HKD'000 *(Note 31)*	Total HKD'000
At 1 January 2023	1,444,045	534	113	21,989	190,150	1,656,831
Changes from financing cash flows:						
Repayment to a joint venture	–	(534)	–	–	–	(534)
Proceeds from bank borrowings	162,957	–	–	–	–	162,957
Repayments of bank borrowings	(212,215)	–	–	–	–	(212,215)
Advance from directors	–	–	–	36,355	–	36,355
Repayments of lease liabilities	–	–	–	–	(8,241)	(8,241)
Interest paid	(89,076)	–	–	–	–	(89,076)
Total changes from financing cash flows	(138,334)	(534)	–	36,355	(8,241)	(110,754)
Other changes:						
Exchange realignment	(7,941)	–	(3)	(585)	(5,347)	(13,876)
Interest expenses	89,076	–	–	2,133	12,790	103,999
Increase in lease liabilities from entering into new tenancy agreement	–	–	–	–	1,128	1,128
Reclassify to amount due from a related party	–	–	(110)	–	–	(110)
Total other changes	81,135	–	(113)	1,548	8,571	91,141
At 31 December 2023	1,386,846	–	–	59,892	190,480	1,637,218

46. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflows for leases

Included in the consolidated statement of cash flows, the total cash outflows for leases comprised the following activities:

	2024 **HKD'000**	2023 HKD'000
Within cash flows used in operating activities	**2,776**	3,111
Within cash flows used in financing activities	**10,341**	8,241
Total net cash outflows for leases	**13,117**	11,352

47. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 25 February 2025, subsequent to the reporting period, the Company entered into a share sale and purchase agreement (the "**Share Sale and Purchase Agreement**") with ITOCHU, pursuant to which the Company agreed to acquire the remaining 15% of the issued shares of SYM ITO for a cash consideration of USD600,000 (equivalent to approximately HKD4,680,000). Prior to this transaction, SYM ITO was a non-wholly owned subsidiary of the Company, with the Company holding an 85% interest and ITOCHU holding the remaining 15%.

The completion of this acquisition is subject to the terms and conditions of the Share Sale and Purchase Agreement, with the consideration to be paid in cash by the Company to ITOCHU on or before the completion date. Upon completion, SYM ITO will become a wholly owned subsidiary of the Company, with the Company holding 100% of its issued shares.

Details of the above transaction was disclosed in the Company's announcement dated 25 February 2025.

48. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below:

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
				(re-presented)	(re-presented)
OPERATING RESULTS					
Continuing operations					
Revenue	**307,561**	304,725	279,153	323,498	243,781
(Loss)/profit before income tax expense	**(141,025)**	(213,423)	(87,533)	37,061	(217,506)
Income tax expense	**(4,083)**	(543)	(5,185)	(10,638)	(1,344)
(Loss)/profit for the year from continuing operations	**(145,108)**	(213,966)	(92,718)	26,423	(218,850)
Discontinued operation					
Profit for the year from discontinued operation	**–**	–	3,757	9,299	1,764
(Loss)/profit for the year	**(145,108)**	(213,966)	(88,961)	35,722	(217,086)
(Loss)/profit for the year attributable to:					
Owners of the Company					
– From continuing operations	**(143,119)**	(205,913)	(85,392)	26,612	(218,776)
– From discontinued operation	**–**	–	4,114	9,889	2,448
	(143,119)	(205,913)	(81,278)	36,501	(216,328)
Non-controlling interests					
– From continuing operations	**(1,989)**	(8,053)	(7,326)	(189)	(74)
– From discontinued operation	**–**	–	(357)	(590)	(684)
	(1,989)	(8,053)	(7,683)	(779)	(758)

Five-Year Financial Summary

	As at 31 December				
	2024	2023	2022	2021	2020
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
ASSETS AND LIABILITIES					
Total assets	**4,415,961**	4,881,440	5,138,087	5,769,797	5,318,508
Total liabilities	**(2,097,000)**	(2,342,142)	(2,292,493)	(2,599,526)	(2,421,679)
Net assets	**2,318,961**	2,539,298	2,845,594	3,170,271	2,896,829
Total equity attributable to owners of the Company	**2,313,016**	2,531,009	2,825,062	3,144,565	2,885,715
Non-controlling interests	**5,945**	8,289	20,532	25,706	11,114
Total equity	**2,318,961**	2,539,298	2,845,594	3,170,271	2,896,829

Particulars of Major Properties and Property Interests

(A) PROPERTIES HELD AS PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

Location	Lease term	Area (sq.m.)	Site area (sq.m.)	Use	Effective % held by the Group
Units 1 to 10 on 10th Floor, Island Place Tower, No. 510 King's Road, North Point, Hong Kong	Medium	1,283 (saleable)	N/A	Commercial	100
Nos. 98-1, 98-2 and 98-3, Puhe Road, Shenbei New District, Shenyang, Liaoning Province, PRC	Medium	92,798 (gross floor)	100,146	Commercial	100
No. 99, Pufeng Road, Shenbei New District, Shenyang, Liaoning Province, PRC	Medium	N/A	45,166	Industrial	100
Unit 2 on 7th Floor, Jiuge Business Centre, No. 2301 Yi Shan Lu, Minhang District, Shanghai, PRC	Long	374 (gross floor)	N/A	Commercial	100
North crossroad of Haixiang Avenue and Tianshui Road, Jimei District, Xiamen, Fujian Province, PRC	Medium	104,411 (gross floor)	60,273	Wholesale and retail (commercial)	100

(B) PROPERTIES HELD AS INVESTMENT PROPERTIES

Location	Lease term	Area (sq.m.)	Site area (sq.m.)	Use	Effective % held by the Group
Unit C on 2nd Floor, Hop Ming Factory Building, No. 8 On Yip Street, Chai Wan, Hong Kong	Long	381 (saleable)	N/A	Industrial	100
Units 1 and 2 on 6th Floor, Jiuge Business Centre, No. 2301 Yi Shan Lu, Minhang District, Shanghai, PRC	Long	748 (gross floor)	N/A	Commercial	100
Various retail units, car parking spaces and ancillary facilities of "Meiyue Xingdao", No. 70 Shancha Road, Yubei District, Chongqing City, PRC	Medium	39,548 (gross floor)	N/A	Commercial	100
Various retail units, car parking spaces and ancillary facilities of "Supermarket C04", No. 91 Second Street, Economic-Technological Development Area, Tianjin, PRC	Medium	33,287 (gross floor)	N/A	Commercial	100

Particulars of Major Properties and Property Interests

(C) PROPERTIES HELD AS ASSETS CLASSIFIED AS HELD FOR SALE

Location	Lease term	Area (sq.m.)	Site area (sq.m.)	Use	Effective % held by the Group
Units 1 to 10 on 3rd Floor, Island Place Tower, No. 510 King's Road, North Point, Hong Kong	Medium	1,283 (saleable)	N/A	Commercial	100
12th, 14th, 16th and 18th Floors, Central Tower, Beijing Junefield Plaza, 10th Building, Nos. 6, 8, 10, 12, 16, 18 Xuan Wu Men Outer Street, Xi Cheng District, Beijing, PRC	Medium	10,472 (gross floor)	N/A	Commercial	100

Glossary

"Annual General Meeting"	the annual general meeting of the Company to be held on Friday, 20 June 2025 at 11:00 a.m. or any adjournment thereof
"Annual Report"	the annual report of the Company for the Year
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors of the Company
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Chief Executive Officer"	the chief executive officer of the Company
"Chief Operating Officer"	the chief operating officer of the Company
"Company"	Symphony Holdings Limited, a company incorporated in Bermuda on 24 November 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares have been listed on the Main Board of the Stock Exchange (Stock code: 1223)
"Comparable Year"	the financial year ended 31 December 2023
"Director(s)"	the director(s) of the Company
"ESG Report"	the environmental, social and governance report of the Company
"Executive Director(s)"	the executive Director(s)
"Group" or "Symphony Group"	the Company and its subsidiaries
"HKD" or "HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Non-executive Director(s)"	the independent non-executive Director(s)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

Glossary

"Nomination Committee"	the nomination committee of the Company
"PRC"	The People's Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan
"Remuneration Committee"	the remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HKD0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$" or "USD" or "US Dollars"	United States Dollars, the lawful currency of the United States of America
"Year"	the financial year ended 31 December 2024
"%"	per cent