Vision Values

Vision Values Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 862

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ANNUAL REPORT 2024

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Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Lo Lin Shing, Simon *(Chairman)*
Mr. Ho Hau Chong, Norman
Ms. Yvette Ong
Mr. Lo, Rex Cze Kei
Mr. Lo, Chris Cze Wai
Mr. Lo, James Cze Chung
(re-designated on 13 August 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsui Hing Chuen, William *JP*
Mr. Lau Wai Piu
Mr. Lee Kee Wai, Frank
Mr. Wei, Chi Kuan Kenny
(appointed on 24 November 2023)

COMPANY SECRETARY

Mr. Tang Chi Kei

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISER

Iu, Lai & Li Solicitors & Notaries

PRINCIPAL BANKER

Public Bank (Hong Kong) Limited

AUDIT COMMITTEE

Mr. Lau Wai Piu *(Chairman)*
Mr. Tsui Hing Chuen, William *JP*
Mr. Lee Kee Wai, Frank
Mr. Wei, Chi Kuan Kenny
(appointed on 24 November 2023)

REMUNERATION COMMITTEE

Mr. Lau Wai Piu (Chairman)
Mr. Tsui Hing Chuen, William *JP*
Mr. Lee Kee Wai, Frank
Mr. Wei, Chi Kuan Kenny
(appointed on 24 November 2023)

NOMINATION COMMITTEE

Mr. Lo Lin Shing, Simon *(Chairman)*
Mr. Lau Wai Piu
Mr. Tsui Hing Chuen, William *JP*
Mr. Lee Kee Wai, Frank
Mr. Wei, Chi Kuan Kenny
(appointed on 24 November 2023)

REGISTERED OFFICE

Third Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17th Floor, 118 Connaught Road West, Hong Kong
Tel: (852) 2138 8000
Fax: (852) 2138 8111

PRINCIPAL SHARE REGISTRAR

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Abacus Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

862

WEBSITE

www.visionvalues.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I hereby present to the shareholders the annual results of Vision Values Holdings Limited (the "**Company**") and its subsidiaries, (collectively the "**Group**") for the year ended 30 June 2024 (the "**Financial Year**").

FINANCIAL RESULTS SUMMARY

- Revenue for the Financial Year was HK$524.8 million (2023: HK$400.7 million).
- Loss attributable to owners of the Company was HK$56.4 million (2023: HK$10.0 million).
- Basic loss per share attributable to owners of the Company was HK cents 1.44 (2023: HK cents 0.26).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

1. Property Investment

The policy of the Group's investment properties is holding to earn rentals and/or for capital appreciation. The management will review the Group's property portfolio from time to time to achieve this policy. The revenue for the Financial Year was HK$5.1 million (2023: HK$6.1 million). As at 30 June 2024, all the investment properties were renting out except for two office premises in Wan Chai, Hong Kong. Commercial real estate demand in Hong Kong remained overall weak in the Financial Year with majority of the tenants prioritised cost savings in view of a more conservative sentiment towards business outlook. As a result, the rental market demand was subdued.

2. Exploration and Evaluation of Mineral Resources

FVSP LLC ("**FVSP**"), a 51% owned indirect subsidiary, holds a mining license number MV-021621 with gold and other mineral resources in Mongolia covering approximately 7,120 hectares (the "**Zoolon Project**").

In 2023, the geological exploration work for Zoolon Project was successfully conducted through the collaborative efforts of the inhouse geological team and a technical team from a subsidiary of the Xinjiang Bureau of Geology and Mineral Resources (新疆維吾爾自治區地質礦產勘查開發局) (the "**Xinjiang Team**"). The fieldwork took place in the first half of the Financial Year, during which the FVSP team executed tasks such as geological mapping, sampling, geological logging, and induced polarization survey. On the other hand, Xinjiang Team was responsible for tasks including audio-frequency magnetotellurics (AMT), three-dimensional induced polarization (3DIP), and geological research.

Subsequently, in April and May of 2024, both teams completed and submitted the 2023 geological exploration reports for Zoolon Project. This marked the formal conclusion of the 2023 geological exploration work under Zoolon Project. The collaboration between the two teams not only demonstrated efficient coordination but also highlighted the successful fulfillment of their respective responsibilities in ensuring the comprehensive assessment and documentation of the geological aspects of the project.

Exploration Highlights of 2023:

- A lithostratigraphic column for Carboniferous volcanic and volcanogenic sedimentary rocks in the licensed area hosting Target 7 (Zoolon deposit) along with Target 3, 9, and 10 was created. This development suggested the possible existence of a volcanic center in the southwest region of Target 7 and Target 10. The identification and delineation of such geological features hold immense implications for further exploration and understanding of the area's volcanic history and potential resources;

- More exploration and discovery of additional surface copper-gold showings from Target 15 to Target 18 had been examined through geophysical surveys and drilling. This mineralization zone, covering a distance of 5,000 meters in a west-east strike pattern, corresponds to distinct moderate to high chargeability and high resistivity anomalies. Subsequent drilling had uncovered low-grade copper and gold mineralization intersections;

- Our analysis indicated that the extension of the copper-gold mineralization zone from Target 15 to Target 18 was probably influenced by fault structures and seemed to be linked to a deeply rooted intrusive body. Both Target 15 and 18 shown promising prospects for containing porphyry copper-gold deposits;

- The AMT survey conducted at Zoolon deposit revealed significant northwest and northeast striking anomalies or structures, which were further investigated through drilling. Although the drilling results did not intercept economic orebodies, a vertical mineralization zoning pattern was observed, with gold-silver in the upper part, lead-zinc-copper in the middle, and copper-molybdenum ("**Cu-Mo**") in the depth. This zoning pattern, particularly Cu-Mo anomaly grades in the depth, might indicate a significant potential of upper gold-polymetallic deposit and deeper Cu-Mo deposit associated with deeply seated magmatic hydrothermal fluids. Further research and exploration may be necessary to fully understand the potential of this deposit;

- The drilling results obtained at Target 10 in 2023 had unveiled resemblances in alteration and mineralization patterns to those observed at the Zoolon Deposit. These findings suggested that Target 10 possessed the potential to be another site similar to the Zoolon deposit. Further exploration and analysis are warranted to confirm and fully assess the significance of these similarities; and

- In 2023, a regional geochemical survey encompassing the southern portion of the license area was conducted utilizing a grid of 40x100 meters. During this survey, a total of 25 geochemical anomaly areas were identified. The majority of these anomalies reaffirmed previously known targets, while two newly discovered areas were highlighted for further detailed exploration. Consequently, the distribution of copper and gold mineralization experienced a substantial expansion as a result of these findings.

FVSP is currently evaluating the feasibility of implementing heap leaching technology for the Zoolon Project. This approach offers the potential for reduced capital expenditures and accelerated project development. Our initial studies involve laboratory-scale heap leaching tests using environmentally friendly gold leaching agents on oxide ore samples from the Zoolon Project site.

3. Private Jet Management Services ("PJM")

As at the end of the Financial Year, PJM managed five aircrafts: four under long-term management contracts (2023: three) and one under ad hoc arrangements (2023: one). This represents a slight increase from the previous financial year. Revenue for the Financial Year reached approximately HK$32.3 million (2023: HK$29.1 million), demonstrating modest growth compared to the prior year.

4. Logistics business

The logistics business of the Group is carried out by an indirect non-wholly owned subsidiary (the "**JV**"). The JV is owned beneficially as to 60% by the Group and the remaining 40% by independent third parties. The business scope of the JV is mainly covering drop and pull transport at Xinjiang border; gangue backfill and route transportation of clean coal and its by-products. At the end of the Financial Year, JV owned 50 heavy-duty semi-trailer tractors and various heavy-duty semi-trailers. Apart from an inhouse fleet, JV also engages external contractors' fleet on an as-needed basis.

JV delivered a satisfactory performance during the Financial Year because of the strong growth in freight volume. The revenue for the Financial Year was HK$456.1 million (2023: HK$352.1 million). The freight traffic handled by the JV during the Financial Year was approximately 2,270,000 tonnes (2023: 1,357,000 tonnes).

FINANCIAL REVIEW

1. Results Analysis

Revenue

During the Financial Year, the Group's revenue increased to HK$524.8 million (2023: HK$400.7 million). Around 91.7% (2023: 87.9%) of the Group's revenue was generated from the logistics business, 6.2% (2023: 7.3%) from the private jet management services and 2.1% (2023: 4.8%) from other segments.

Fair value changes on investment properties

The fair values of the Group's investment properties at the end of the Financial Year were valued by an independent qualified valuer. The decrease in carrying values was due to fair value losses on investment properties of HK$44.1 million (2023: combined effect of fair value gain of HK$3.8 million and loss on currency translation of HK$3.1 million). The Group's portfolio of commercial properties in Hong Kong accounted for most of the fair value losses on investment properties.

Finance costs

For the Financial Year, finance costs were HK$9.9 million (2023: HK$7.3 million). The increase in finance costs was mainly due to the increase in loan from a director and unsecured factoring loans from banks to finance the net cash used in operating activities.

2. Liquidity and Financial Resources

As at 30 June 2024, the Group had a revolving standby facility from Mr. Lo Lin Shing, Simon ("**Mr. Lo**"), the Chairman and director of the Company totaling HK$160 million. The Group drew down HK$125.6 million from the facility as of 30 June 2024. The maturity date of this facility is 30 June 2026.

Chairman's Statement (Continued)

3. Gearing

As at 30 June 2024, the gearing ratio of the Group was 46.4% (2023: 37.9%) which was calculated based on the Group's total borrowings to total assets.

4. Foreign Exchange

The Group's key operations are located in Hong Kong, China and Mongolia. The Group's assets and liabilities are mainly denominated in Hong Kong dollars, United States dollars and Renminbi. The Group does not establish a foreign currency hedging policy. However, management of the Group continues to monitor foreign exchange exposure and will consider hedging significant currency exposures should the need arise.

5. Contingent Liabilities

As at 30 June 2024, the Group did not have material contingent liabilities (2023: Nil).

BUSINESS OUTLOOK AND DEVELOPMENT

The Group delivered a satisfactory business performance, driven primarily by robust growth in our logistics business. However, our logistics operations primarily serve the coal washing and steel mill sectors in Xinjiang, China. Given the ongoing challenges of overcapacity in the Chinese steel industry, particularly in Xinjiang, we anticipate a potential impact on our business. A recent annual report from a major Chinese steelmaker with main market in the Xinjiang region highlighted the acute supply-demand imbalance in the sector. In response to these evolving market conditions, we will maintain a cautious and adaptable approach to our logistics business.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all our management and colleagues for their valuable contribution to the Group. Moreover, I would also like to express appreciation to our valued shareholders, customers and business partners who have stood by the Group.

Lo Lin Shing, Simon
Chairman

Hong Kong, 27 September 2024

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of maintaining a high standard of corporate governance practices to protect and enhance the benefits of the shareholders. The Board and the management of the Company have collective responsibility to maintain the interest of the shareholders and the sustainable development of the Group. The Board also believes that good corporate governance practices can facilitate growth of a company under a healthy governance structure and strengthen the confidence of shareholders and investors.

During the Financial Year, the Company had applied the principles of and complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 (the "**CG Code**") to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), save for the following deviations:

i. Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separate and should not be performed by the same individual.

   Mr. Lo is the chairman of the Company and has also carried out the responsibility of CEO. Mr. Lo possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

ii. Code provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the Annual General Meeting ("**AGM**") of the Company.

   Due to another business engagement, the chairman of the Board did not attend the 2023 AGM. The chairman of the Audit and Remuneration committees of the Company had chaired the 2023 AGM and answered shareholders' questions. The AGM of the Company provides a channel for communication between the Board and the shareholders. Other than the AGM, the shareholders may communicate with the Company through the contact methods listed on the Company's website.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transactions by the Directors (the "**Code**"), which are on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the "**Model Code**"). The Code is sent to each Director on his/her initial appointment and from time to time when the same is amended or restated.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "**Employees' Guidelines**") for securities transactions by relevant employees of the Group who are likely to be in possession of unpublished inside information of the Company. During the Financial Year, no incident of non-compliance with the Employees' Guidelines by the employees was noted by the Company.

During the period of sixty days immediately preceding and including the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to and including the publication date of the annual results, all Directors and relevant employees must not deal in the securities and derivatives of the Company until such results have been published.

During the period of thirty days immediately preceding and including the publication date of the half year results or, if shorter, the period from the end of the relevant financial quarterly or half year period up to and including the publication date of the half year results, all Directors and relevant employees must not deal in the securities and derivatives of the Company until such results have been published.

The Company Secretary will send reminders prior to the commencement of such period to all Directors and relevant employees. Having made specific enquiry by the Company, all Directors have confirmed in writing that they have complied with the required standards set out in the Model Code and the Code throughout the Financial Year.

It is stipulated under the Code and the Employees' Guidelines that all dealings of the Company's securities must be conducted in accordance with the provisions stated therein. Under the Code, the Directors are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company, and in the case of the Chairman himself, he must notify the designated Director and receive a dated written acknowledgement before any dealings.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

Good corporate governance and enterprise-wide risk management are essential for every business. 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 for the Directors and officers of the Group for indemnifying their liabilities arising from corporate activities. The D&O Insurance coverage is reviewed on an annual basis.

Corporate Governance Report (Continued)

BOARD OF DIRECTORS

BOARD COMPOSITION

The Board currently comprises six Executive Directors and four Independent Non-executive Directors, serving the important function of guiding the management. The Board members during the Financial Year and up to the date of this Report are:

EXECUTIVE DIRECTORS

Mr. Lo Lin Shing, Simon *(Chairman)*
Mr. Ho Hau Chong, Norman
Ms. Yvette Ong
Mr. Lo, Rex Cze Kei
Mr. Lo, Chris Cze Wai
Mr. Lo, James Cze Chung (re-designated on 13 August 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsui Hing Chuen, William *JP*
Mr. Lau Wai Piu
Mr. Lee Kee Wai, Frank
Mr. Wei, Chi Kuan Kenny (appointed on 24 November 2023)

The Board will consider the following attributes or qualifications in evaluating membership in the Board:

– management and leadership experience;

– skills and diverse background;

– integrity and professionalism; and

– independency

The Company has adopted a Board Diversity Policy (the "**Board Diversity Policy**") setting out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates would be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board reviews its composition under diversified perspectives and monitors the implementation of the Board Diversity Policy annually. The Board will also review and any such revision to the Board Diversity Policy as and when required. The Board Diversity Policy has been published on the Company's website. Besides, the Company has also adopted a Nomination Policy for recruitment of members of the Board.

The Company is conscious of maintaining Board diversity with an appropriate level of female members on the Board, which shall not be less than one member. During the Financial Year and as at the date of this annual report, the Board comprised one of the Directors is female and nine of Directors are male as Board members, in which case the Board considered gender diversity has been achieved. While conscious efforts are being taken by the Company to fulfil its Board Diversity Policy, all appointments are ultimately made on a merit basis taking into account the skill, strength and suitability candidates.

The Board will review its composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the business and development of the Company. The shareholders may propose a candidate for election as a director and the procedures have been published on the website of the Company.

During the Financial Year, the Board at all times met the requirements under Rule 3.10 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

All Independent Non-executive Directors are financially independent from the Company and any of its subsidiaries. The Company has received written annual confirmation of independence from each Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Accordingly, the Company considers all Independent Non-executive Directors to be independent.

BOARD INDEPENDENCE

The Company recognises that Board independence is essential for a good corporate governance and has in place effective mechanisms as below that underpin a strong independent Board, and that independent views and input from Directors are conveyed to the Board:

i. The Board must have at least 3 independent non-executive Directors and all the members of each of the Audit Committee and the Remuneration Committee are independent non-executive Directors. For the Nomination Committee, the majority of the members is independent non-executive Directors;

ii. All independent non-executive Directors are required to provide annual confirmations of independence and the Nomination Committee assess their independence annually;

iii. the Directors can have full and timely access to any related information so as to ensure the Directors are in the position to exercise their powers in an informed manner; and

iv. the Directors may take independent professional advice at the Company's expense if necessary.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Potential new Directors are identified and considered for appointment by the Board. A Director appointed by the Board is subject to election by shareholders at the first AGM after his or her appointment, and all executive and non-executive Directors are subject to re-election by shareholders at least every three years. The general requirements for consideration include but not limited to his or her independence, availability, motivation, standing and business experience. The criteria have been set out in the Nomination Policy for Recruitment of Board Members, and published on the Company's website.

Potential new Board members are identified on the basis of skills and experience with reference to the Nomination Policy for recruitment of Board members and Board Diversity Policy adopted by the Company which, in the opinion of the Directors, will enable them to make a positive contribution to the performance of the Board. Full details of the Board during the Financial Year and up to the date of this report are provided in the section of this annual report headed Directors' Report.

RESPONSIBILITIES AND FUNCTIONS OF THE BOARD

The Board is responsible for formulating the strategic business development, reviewing and monitoring the business performance of the Group, as well as preparing and approving the consolidated financial statements. The Board is also responsible for developing and reviewing the Company's policies on corporate governance and making recommendations. The Board as a whole and the management of the Company shall ensure good corporate governance practices and procedures are followed.

The Directors, collectively and individually, are aware of their responsibilities to shareholders, for the manner in which the affairs of the Company are managed and operated. In the appropriate circumstances and as when necessary, Directors will consent to the seeking of independent professional advice at the Company's expense, ensuring that Board procedures, and all applicable rules and regulations, are followed.

The Board may delegate the management powers to the management of the Company. However, the delegation of power does not absolve the Directors from their responsibilities of exercising requisite skill, care and diligence in overseeing the performance of the Company. The Board can meet the management of the Company from time to time to discuss the operating issues of the Group. The Company has also issued formal appointment letters to all the Directors setting out the key terms and conditions of their respective appointments.

In order to enable the Directors to discharge their duties effectively, each Director has separate and independent access to members of the management to make enquiries or obtain necessary information. They may also seek advices and services from external experts and consultants at the Company's expense for the purpose of facilitating them to make an informed decision.

All the independent non-executive Directors are not involved in daily management. The independent non-executive Directors also give independent views on the deliberations of the Board and ensure high standards of corporate governance and financial probity. The Board is also responsible for performing the following corporate governance duties:

i. to develop and review the Company's policies on corporate governance and make recommendations;

ii. to review and monitor the training and continuous professional development of the Directors and management;

iii. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

iv. to develop, review, and monitor the code of conduct of employees and Directors; and

v. to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

During the Financial Year, the Board:

i. reviewed the performance of the Group and formulated business strategies of the Group;

ii. reviewed and approved the annual and interim results of the Group;

iii. reviewed the internal controls of the Group;

iv. reviewed the corporate governance procedures;

v. reviewed and proposed the general mandates to issue and repurchase shares of the Company at the AGM for the approval by the shareholders of the Company;

vi. reviewed and approved the inside information announcements;

vii. reviewed and approved the independent auditor's remuneration and recommended the re-appointment of Messrs. PricewaterhouseCoopers ("**PwC**") as the independent auditor of the Company respectively;

viii. reviewed and proposed the appointment of an independent non-executive Director of the Company; and

ix. reviewed and approved the 2023 Environmental, Social and Governance Report.

During the Financial Year, the Board had not amended the Dividend Policy of the Company. Under the policy, the Board may propose payment of dividends for a financial year by taking into account the relevant factors when considering the proposal, and these factors include, among others, the actual and expected financial performances of the Group, retained earnings and distributable reserves, the level of the Group's debts, return on equity and the relevant financial covenants that may be imposed by the Group's lenders, the Group's expected working capital requirements and future capital expenditure plans, general economic conditions, internal and/or external factors that may have an impact on the business or financial performance of the Group, etc. The Dividend Policy has been published on the Company's website.

To the best knowledge of the Company, apart from the family relationship between Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung, there is no financial, business and family relationship among our Directors. All of them are free to exercise their independent judgments.

The Directors are aware of their commitments to the Company for contributing sufficient time and attentions to the management of the Company.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the consolidated financial statements of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors also ensure that the consolidated financial statements of the Group are prepared in accordance with the relevant statutory requirements and applicable accounting standards.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 32 to 37.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group so as to maintain sound and effective risk management and internal control to safeguard the shareholders' investment and the assets of the Group.

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process includes continuous updating of the risk management and internal control systems of the Group in response to the changing business environment and regulatory requirements. The Group identifies risks relevant to its operations and activities, and assesses these risks in relation to their likelihood and potential impacts. The Group's internal control system includes a well-defined management structure with clear lines of authority, which is designed to achieve business objectives, safeguard assets against unauthorized use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and ensure compliance with relevant legislations and regulations. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance against material misstatement or loss. Besides, strict internal procedures and controls are implemented by the Group for the handling and dissemination of inside information.

The Board also conducts reviews of the risk management and internal control of the Group to ensure that the policies and procedures in place are adequate. The Board assesses the effectiveness of the Group's risk management and internal control systems which covers all material control, including financial, operational and compliance control and risk management functions.

During the Financial Year, the Group engaged a professional advisory firm to be its internal auditor (the "**Internal Auditor**"). The Internal Auditor is reported directly to the Audit Committee. The Internal Auditor adopts a risk-based approach and independently review and test the controls over various selected operations and activities and evaluates their adequacy, effectiveness and compliance on an annual or ad hoc basis. Internal audit findings and recommendations are reported to the Audit Committee. In addition, progress on audit recommendations implementation will be followed up on a regular basis and discussed with the Audit Committee.

During annual review, the Audit Committee also considers the adequacy of resources, qualifications and experience of staff of the Group, and training programs and budgets of the Group's accounting, internal audit and financial reporting functions. Based on the results of evaluations and representations made by the Internal Auditor and the independent auditor for the Financial Year, the Audit Committee was satisfied that there was an ongoing process for identifying, evaluating and managing the significant risks faced by the Group that would threaten the achievement of its business objectives; and an appropriate, effective and adequate system of internal control and enterprise risk management had been in place during the Financial Year.

To enhance the effectiveness of the risk management and internal control, the Company Secretary will ensure the Board and the Board Committees are provided with timely information and sufficient resources to enable them to efficaciously discharge their duties.

DIRECTORS' TRAININGS AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills in their roles as directors pursuant to code provision C.1.4 of the CG Code. The Company Secretary updates and provides written materials on the latest developments of applicable laws, corporate governance issues, rules and regulations to the Directors from time to time.

During the Financial Year, all the Directors, namely Mr. Lo, Mr. Ho Hau Chong, Norman, Ms. Yvette Ong, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai, Mr. Lo, James Cze Chung, Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny had participated in appropriate continuous professional development activities by ways of attending trainings and/or reading materials relating to the latest development of Listing Rules and other regulatory requirements relevant to the Group, general business or directors' duties and responsibilities, etc.

CHAIRMAN AND CHIEF EXECUTIVE

The Chairman leads the Board in the determination of strategies and in the achievement of objectives and ensures that all directors are properly briefed on issues arising at the Board meetings and receive adequate, complete and reliable information. The Chief Executive is delegated with the authority and responsible for running the Company's business, implementing the Company's strategies in achieving business objectives. Both the Chairman and the Chief Executive positions are currently held by Mr. Lo. The Board believes that the current governance structure, with a combined Chairman and Chief Executive and more than one-third of the Board is non-executive directors, provides an effective balance of power and authority for the management of the Company and its in the best interest of the Company at the present stage.

NON-EXECUTIVE DIRECTORS

None of the existing Independent Non-executive Directors is appointed for a specific term.

BOARD COMMITTEES

The Board has established the Remuneration Committee, the Audit Committee and the Nomination Committee, with specific terms of reference relating to their authorities and duties, which strengthen the Board's functions and enhance its expertise.

Each committee makes decisions on matters within its terms of reference and applicable limits of authority. The terms of reference as well as the structure and membership of each committee will be reviewed from time to time.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Mr. Lau Wai Piu, Mr. Tsui Hing Chuen, William *JP*, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny as members. The Company has also appointed an external consultant to review and compare the level of compensation paid to the Directors with the prevailing market rates and give recommendation, and to review and study the remuneration level of the senior management of the Company and give recommendation.

The main responsibilities of the Remuneration Committee include, but are not limited to, making recommendations to the Board on the Company's policy and structure for remuneration of all the Directors and senior management, reviewing and approving the special remuneration packages of all Executive Directors with reference to corporate goals and objectives resolved by the Board from time to time and by making recommendations to the Board on the remuneration packages of individual Executive Directors.

Corporate Governance Report (Continued)

The terms of reference of the Remuneration Committee which was revised and adopted in March 2012 are in line with the requirements of the Listing Rules. Details of the terms of reference of the Remuneration Committee can be viewed on both the websites of the Stock Exchange and the Company.

During the Financial year, the Remuneration Committee:

i. reviewed and made recommendations on the remuneration policies; and

ii. reviewed the remuneration packages of the Directors and the senior management.

AUDIT COMMITTEE

The members of the Audit Committee are Mr. Lau Wai Piu, Mr. Tsui Hing Chuen, William *JP*, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny. All members are Independent Non-executive Directors. The Chairman of the Audit Committee is Mr. Lau Wai Piu and he has the appropriate professional qualification, accounting and related financial management expertise as required by the Listing Rules.

The main responsibilities of the Audit Committee include, but are not limited to, reviewing the Company's current financial standing, considering the nature and scope of audit reports, and ensuring internal control and risk management systems operate in accordance with applicable standards and conventions.

The terms of reference of the Audit Committee, which was revised and adopted in December 2018, are in line with the requirements of the Listing Rules. Details of the terms of reference of the Audit Committee can be viewed on both the websites of the Stock Exchange and the Company.

During the Financial Year, the Audit Committee:

i. reviewed the consolidated financial statements for the year ended 30 June 2023 and for the six months ended 31 December 2023;

ii. reviewed the effectiveness of the internal control and risk management systems of the Group; and

iii. reviewed the independent auditor's report.

NOMINATION COMMITTEE

The Company has set up a Nomination Committee with written terms of reference which are in compliance with the code provisions of the CG Code. The Nomination Committee shall make recommendations to the Board on appointment of Directors and succession planning for Directors. The Nomination Committee consists of five members, namely, Mr. Lo (Chairman), Mr. Tsui Hing Chuen, William *JP*, Mr. Lau Wai Piu, Mr. Lee Kee Wai, Frank and Mr. Wei, Chi Kuan Kenny, comprising of one executive Director and four independent non-executive Directors.

The main duty of the Nomination Committee is (i) to review and monitor the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually to complement the Company's corporate strategy; (ii) to identify and nominate qualified individuals for appointment as additional Directors or to fill Board vacancies as and when they arise; (iii) to make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors; (iv) to assess the independence of independent non-executive Directors; and (v) to review the Board Diversity Policy.

The terms of reference of the Nomination Committee were adopted in accordance with the requirements of the Listing Rules. Details of the terms of reference of the Nomination Committee can be viewed on both the websites of the Stock Exchange and the Company.

During the year under review, the Nomination Committee reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, reviewed the re-appointment of Directors and recommended the appointment of an independent non-executive Director. In identifying and selecting suitable candidates for directorships, the Nomination Committee considered the candidate's relevant criteria as set out in the nomination policy for recruitment of board members that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director and Board Committee meetings and the general meeting of the Company during the Financial Year is set out below:

	Number of Meetings Attended/Held					Continuous Professional Development
Name of Director	**Board**	**Audit Committees**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**	**Type of Training (Notes)**
Mr. Lo	**4/4**	**N/A**	**N/A**	**1/1**	**0/1**	**B**
Mr. Ho Hau Chong, Norman	**4/4**	**N/A**	**N/A**	**N/A**	**0/1**	**A, B**
Ms. Yvette Ong	**4/4**	**N/A**	**N/A**	**N/A**	**0/1**	**B**
Mr. Lo, Rex Cze Kei	**4/4**	**N/A**	**N/A**	**N/A**	**0/1**	**B**
Mr. Lo, Chris Cze Wai	**4/4**	**N/A**	**N/A**	**N/A**	**0/1**	**B**
Mr. Lo, James Cze Chung	**4/4**	**N/A**	**N/A**	**N/A**	**0/1**	**B**
Mr. Tsui Hing Chuen, William *JP*	**4/4**	**2/2**	**1/1**	**1/1**	**0/1**	**B**
Mr. Lau Wai Piu	**4/4**	**2/2**	**1/1**	**1/1**	**1/1**	**B**
Mr. Lee Kee Wai, Frank	**4/4**	**2/2**	**1/1**	**1/1**	**0/1**	**B**
Mr. Wei, Chi Kuan Kenny (appointed on 24 November 2023)	**3/3**	**1/1**	**N/A**	**N/A**	**0/1**	**B**

Notes:

A: attending seminars and/or professional conference and/or forums

B: reading materials relating to the Group, general business or director's duties and responsibilities, etc

For every Board and Board Committee meeting, each Director is required to declare whether he/she has any conflict of interests in the matters to be considered. If a substantial shareholder or a Director has a conflict of interests which is considered by the Board as material, the matters should be dealt with by a physical Board meeting rather than a written resolution.

Apart from the regular Board meetings, the Chairman had held a meeting with the Independent Non-Executive Directors without the presence of the other Executive Directors.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All the Directors should participate in continuous professional development to develop and refresh their knowledge and skills in their roles as directors pursuant to Code Provision C.1.4 of the CG Code. Attendance to any professional courses recognised by registered professional bodies such as The Law Society of Hong Kong, The Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), The Hong Kong Chartered Governance Institute etc., are recognised by the Company for this purpose. The Directors will also be provided with materials from time to time to keep abreast of the latest legal and regulatory changes to enable them to effectively discharge their duties.

During the Financial Year, all the Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's businesses or to the Directors' duties and responsibilities.

WORKFORCE DIVERSITY

As the workforce to handle the business process of the Group requires specific skill sets and physique which favour the male gender, female employees only accounted for 36% of the Group's workforce while male gender accounted for 64% as at 30 June 2024. Although the Group has no plan or measurable objective set for achieving gender equality in workplace, the recruitment principle of the Group is always based on the nature of work and individual capability instead of gender.

INDEPENDENT AUDITOR

During the Financial Year, PwC, the independent auditor of the Company, provided audit and non-audit services to the Group. The remuneration payable to PwC is set out below:

	HK$'000
Audit services	1.920
Non-audit services	29

INVESTOR RELATIONS

There is no change in the Company's constitutional documents during the Financial Year. The latest version of the Articles is available on both the Company's and the Exchange's websites.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Tang Chi Kei. He has served as the Company Secretary since February 2007. He is a fellow member of the Association of Chartered Certified Accountants and a member of the HKICPA. Under the Articles, the appointment of the Company Secretary shall be determined by the Board. The Company Secretary shall attend all meetings of the shareholders and the Directors and shall keep minutes of such meetings and enter the same in the proper books provided for the purpose. For the year under review, the Company Secretary has taken no less than fifteen hours of relevant professional training under Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to maintaining an ongoing communication with the shareholders and providing timely disclosure of information concerning the Group's material developments to the shareholders and investors.

Updated information about the announcements of the Group and the Company is posted on our website in a timely manner. The shareholders can communicate with the Company or the Board through the contact information provided on the website and in the general meetings of the Company.

The Company has complied with the Listing Rules regarding the requirements about voting by poll. An explanation will be provided by the chairman of a general meeting on the detailed procedures for conducting a poll. Specific enquiries by shareholders requiring the Board's attention can be sent in writing to the Company Secretary at the Company's principal place of business in Hong Kong or by email at info@visionvalues.com.hk.

The Company's management will regularly review the implementation and effectiveness of all communication channels with our shareholders from time to time. Having considered the implementation and effectiveness of multiple channels of communication and engagement in place, the Company was satisfied that the shareholders' communication policy was effective during the Financial Year and no negative feedback was received.

SHAREHOLDERS' RIGHTS

The Company has only one class of shares. All shares have the same voting rights and entitlement to any dividend declared. The rights of our shareholders are set out in, among others, the Articles and the Companies Law of the Cayman Islands.

CONVENING A GENERAL MEETING

Pursuant to Article 72 of the Articles, general meetings shall be convened on the written requisition of any one or more shareholders of the Company deposited at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carry the right of voting at the general meetings of the Company.

If the Board does not within twenty-one days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene a general meeting in the same manner, as nearly as possible, as that in which meeting may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board to convene the meeting shall be reimbursed to them by the Company.

Corporate Governance Report (Continued)

PROPOSING FOR ELECTION AS A DIRECTOR

If a shareholder wishes to propose a person other than a retiring Director of the Company for election as a Director at any general meeting, he/she can deposit a written notice to that effect at the principal place of business of the Company for the attention of the Company Secretary.

In order for the Company to inform its shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, include the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected. The period for lodgment of such a written notice will commence no earlier than the day after the despatch of the notice and end no later than seven days prior to the date of any general meeting.

PUTTING FORWARD ENQUIRIES TO THE BOARD

Shareholders may send written enquiries together with their detailed contact information, by post to the Company's principal place of business in Hong Kong or by e-mail to us at "Contact Us" of our website (https://www.visionvalues.com.hk) for the attention of the Company Secretary.

PUTTING FORWARD PROPOSALS AT GENERAL MEETING

Shareholders who wish to put forward a proposal for consideration at general meetings should convene an extraordinary general meeting by following the procedures set out in "Convening a General Meeting" above.

Directors' Profile

EXECUTIVE DIRECTORS

MR. LO LIN SHING, SIMON

Mr. Lo, aged 68, joined the Company in March 2000 and is currently the Chairman and executive Director of the Company. He possesses over 40 years of experience in the financial, securities and futures industries, including many trans-border transactions and senior corporate management experience. Mr. Lo is a director of certain subsidiaries of the Company. He is the father of Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung, who are executive Directors of the Company respectively. He is also the chairman and executive director of Mongolia Energy Corporation Limited ("**MEC**") which is listed on the Stock Exchange.

MR. HO HAU CHONG, NORMAN

Mr. Ho, aged 69, was appointed as a Non-executive Director in November 2000 and re-designated as executive Director in January 2007. He is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 40 years experience in management and property development. Mr. Ho is also an executive director of Miramar Hotel and Investment Company, Limited and an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, Shun Tak Holdings Limited and SJM Holdings Limited respectively, all of which are listed on the Stock Exchange. He resigned as an independent non-executive director of Lee Hing Development Limited (de-listed on 18 October 2022) on 19 October 2022. Mr. Ho is a member of the Institute of Chartered Accountants in England and Wales, and a fellow member of the HKICPA.

MS. YVETTE ONG

Ms. Ong, aged 60, was appointed as an executive Director in February 2018. She has over 30 years of senior managerial experience in the Asia-Pacific region. She previously served as a managing director of AT&T EasyLink Services Asia Pacific Ltd. Ms. Ong holds an MBA degree in Management Information Systems and Marketing and a bachelor degree in Finance and Management from the University of San Francisco. She is a director of certain subsidiaries of the Company. Ms. Ong is also an executive director of MEC which is listed on the Stock Exchange.

MR. LO, REX CZE KEI

Mr. Rex Lo, aged 43, has been a Non-executive Director in November 2016 and re-designated as an executive Director since February 2018. He joined the Group in 2014. He has over 10 years of experience in property business and general management. Mr. Rex Lo holds a Master of Science in Electronic Commerce and Internet Computing and a Bachelor of Science in Business Administration. He is a director of certain subsidiaries of the Company. He is the son of Mr. Lo Lin Shing, Simon, the Chairman and executive Director of the Company and the elder brother of Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung, both are executive Directors of the Company. Mr. Rex Lo is also an executive director of MEC which is listed on the Stock Exchange.

MR. LO, CHRIS CZE WAI

Mr. Chris Lo, aged 30, holds a Master of Engineering in Mechanical Engineering from University of Bristol, UK. He joined the Group in 2017. He has experienced in property management and corporate finance. Mr. Chris Lo is a director of certain subsidiaries of the Company. He is the son of Mr. Lo Lin Shing, Simon, the Chairman and executive Director of the Company, and the younger brother of Lo, Rex Cze Kei and the elder brother of Mr. Lo, James Cze Chung, both are executive Directors of the Company. Mr. Chris Lo is also an executive director of MEC which is listed on the Stock Exchange.

Directors' Profile (Continued)

EXECUTIVE DIRECTORS

MR. LO, JAMES CZE CHUNG

Mr. James Lo, aged 29, has been a non-executive Director of the Company in March 2023 and re-designated as an executive Director of the Company on 13 August 2024. He holds a bachelor degree of Science (Hons.) in Business and Management from Brunel University, UK. Before the appointment of non-executive directorship, Mr. James Lo is a director of certain subsidiaries of the Company. He has more than 5 years commercial experience. He is the son of Mr. Lo Lin Shing, Simon, the Chairman and executive Director of the Company and the younger brother of Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai, both are executive Directors of the Company. He is also an executive director of MEC which is listed on the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR. TSUI HING CHUEN, WILLIAM *JP*

Mr. Tsui, aged 73, has been an Independent Non-executive Director since September 2006. He is the founding partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries, which was established in 1980. Mr. Tsui has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1981, and a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has also been an advocate and solicitor in Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury, England since 1988. Mr. Tsui was appointed as a Justice of the Peace by the Government of Hong Kong in 1997. He was admitted to the Roll of Honour of The Law Society of Hong Kong in 2013. Mr. Tsui is also an independent non-executive director of MEC which is listed on the Stock Exchange.

MR. LAU WAI PIU

Mr. Lau, aged 60, has been an Independent Non-executive Director since March 2007. He has over 20 years of extensive experience in accounting and financial management. Mr. Lau is a member of the HKICPA and a fellow of the Association of Chartered Certified Accountants. Mr. Lau is also an independent non-executive director of MEC which is listed on the Stock Exchange.

MR. LEE KEE WAI, FRANK

Mr. Lee, aged 65, has been an Independent Non-executive Director since April 2007 and is the Senior Partner of Messrs. Vincent T.K. Cheung, Yap & Co., Solicitors and Notaries. He holds a Master of Law from University of Cambridge and a Bachelor of Laws from the London School of Economics & Political Science. Mr. Lee is a solicitor in the respective jurisdictions of Hong Kong, England, Singapore and the Australian Capital Territory (Australia). He is also a China-Appointed Attesting Officer and a member of the Chartered Institute of Arbitrators. Mr. Lee is also an independent non-executive director of Pico Far East Holdings Limited and MEC, both of which are listed on the Stock Exchange.

MR. WEI, CHI KUAN KENNY

Mr. Wei, aged 66, was appointed as an independent non-executive Director by the shareholders of the Company at the annual general meeting on 24 November 2023. Mr. Wei has over 40 years of experience in banking industries, including held senior management positions at various international banks. He was a managing director of trade and commodity finance, Asia Pacific of Rabobank International (HK). Mr. Wei has been retired since 2020. He holds a Bachelor degree of B.A, Economics, Western University, London, Ontario, Canada in 1980.

Directors' Report

The Directors present their report together with the audited consolidated financial statements of the Group for the Financial Year.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company acts as an investment holding Company and the key activities of its principal subsidiaries are set out in Note 20 to the consolidated financial statements. There were no significant changes in the nature of the Company's and the Group's principal activities during the year.

Analyses of the principal activities and geographical locations of the operations of the Group for the Financial Year are set out in Note 7 to the consolidated financial statements.

BUSINESS REVIEW

Reviews of the business of the Group during the Financial Year and discussions of the Group's future business development are set out in the Management Discussion and Analysis and Business Outlook and Development on pages 3 to 5 and page 6 respectively.

POSSIBLE RISKS AND UNCERTAINTIES

The Group's business may from time to time face with certain risk factors; some of them may not be anticipated by or known to the Group. While the Group has adopted its business strategies and planning by taking into account the foreseeable risks and measures, shareholders and investors should be aware that the business of the Group may still be impacted once such unfavorable event happens.

The followings are the key part of the risks and uncertainties identified by the Group:

1. AIRCRAFT MANAGEMENT BUSINESS

i. Concentration of clients

The Group may be exposed to the risk of significant reduction in profit in case a few important clients are lost.

2. EXPLORATION AND EVALUATION OF MINERAL RESOURCES

i. Significant and continuous capital investment

The mining business requires significant and continuous capital investment; the major mine exploration project may not be completed as planned, may exceed the original budgets and may not achieve the intended economic results or commercial viability.

ii. Country risk

There can be a risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in Mongolia. The change of political and economic conditions in Mongolia may adversely affect the Group.

3. LOGISTICS BUSINESS

i. Concentration of clients

The Group may be exposed to the risk of significant reduction in profit in case a few important clients are lost.

ii. Operational risk

We require various truck contractors for the logistics business. If there is any unforeseeable event which renders these contractors unable to continue provide their services and no effective solution is implemented, our operation may be seriously impacted.

Descriptions of the possible risks and uncertainties facing the Group can also be found throughout this Report, in particular, the Management Discussion and Analysis and Business Outlook and Development on pages 3 to 6 and Note 5 to the consolidated financial statements. The financial risk management objectives and policies of the Group can be found in Note 4 to the consolidated financial statements.

ENVIRONMENTAL PROTECTION AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is committed to contributing to the sustainability of the environment. The Group has implemented internal waste reduction program on a continuous basis, such as reuse the paper which has been used on one side only for scrap paper, make two-sided copies, etc.

During the Financial Year, the Board is of the opinion that the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects. The Group endeavours to refine the approach to addressing its environmental, social and ethical responsibilities along with improving our corporate governance and should generate greater value for all of our stakeholders including our shareholders, employees, customers, and suppliers as well as the communities.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group provides a harmonious and professional working environment to employees and ensures they all are reasonable remunerated. The Company regularly reviews and updates its policies on remuneration and benefits, training, occupational health and safety.

The Group is committing to maintaining good relationship with business partners to achieve its long-term goals. During the Financial Year, there was no material and significant dispute between the Group and its business partners.

RESULTS AND APPROPRIATIONS

The results of the Group for the Financial Year are set out in the Consolidated Statement of Profit or Loss on page 38.

No interim dividend was declared (2023: Nil) and the Directors do not recommend the payment of a final dividend for the Financial Year (2023: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 105.

SHARE CAPITAL

There was no movement in the share capital of the Company during the Financial Year.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group during the Financial Year are set out in Note 16 to the consolidated financial statements.

INVESTMENT PROPERTIES

Particulars of the investment properties of the Group are set out on page 106.

DISTRIBUTABLE RESERVES

In addition to the retained earnings (if any) of the Company, the share premium account as set out in Note 35 to the consolidated financial statements, is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid in accordance with the Companies Act of the Cayman Islands.

As at 30 June 2024, the Company's distributable reserve was approximately HK$100,521,000.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of purchases and sales for the Financial Year attributable to the Group's major suppliers and customers are as follows:

PURCHASES

the largest supplier	38%
five largest suppliers in aggregate	60%

SALES

the largest customer	43%
five largest customers in aggregate	93%

Mr. Lo, the Chairman of the Company, is indirectly interested in more than 5% in shareholdings of one of the five largest customers of the Group. Apart from this, none of the other Directors, their respective associates or any shareholders (which is to the knowledge of the Director owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers or customers.

DIRECTORS

During the Financial Year and up to the date of this Report, the board composition and biographical details of the Directors of the Company are set out on pages 9 to 10, and pages 20 to 21 respectively.

In accordance with Article 116 of the Articles, Mr. Ho Hau Chong, Norman, Mr. Lo, Rex Cze Kei, Mr. Chris Cze Wai and Lee Kee Wai, Frank will retire. All the retiring Directors, being eligible, offer themselves for re-election at the forthcoming AGM.

The Directors, including the Independent Non-executive Directors, are subject to retirement by rotation and re-election at the AGM in accordance with the provisions of the Articles.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 June 2024, the interests or short positions of the Directors in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register 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 were as follows:

LONG POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

	Number of shares					
Name of Directors	Personal interests	Spouse interests	Corporate interests	Number of underlying shares pursuant to share options	Total interests	Percentage of shareholding
Mr. Lo	1,755,000	–	1,246,054,889 (Note)	47,000,000	1,294,809,889	33.00%
Mr. Ho Hau Chong, Norman	17,821,973	–	–	20,000,000	37,821,973	0.96%
Ms. Yvette Ong	–	–	–	20,000,000	20,000,000	0.51%
Mr. Lo, Rex Cze Kei	–	–	–	20,000,000	20,000,000	0.51%
Mr. Lo, Chris Cze Wai	–	–	–	15,000,000	15,000,000	0.38%
Mr. Tsui Hing Chuen, William *JP*	1,365,131	–	–	10,000,000	11,365,131	0.29%
Mr. Lau Wai Piu	–	–	–	10,000,000	10,000,000	0.25%
Mr. Lee Kee Wai, Frank	6,404,605	–	–	10,000,000	16,404,605	0.42%

Note: Moral Glory International Limited ("**Moral Glory**"), is wholly-owned by Mr. Lo.

ASSOCIATED CORPORATION OF THE COMPANY

The following Director had interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity	Number and class of securities interested	Percentage of shareholding in the associated corporation
Mr. Lo	Mission Wealth Holdings Limited (Note)	Beneficial owner	490 ordinary shares of US$1.00 each	49%

Note: Mission Wealth Holdings Limited is a company incorporated in the British Virgin Islands which is a 51% owned subsidiary of the Company.

Save as disclosed above and the section headed "Share Option Schemes", as at 30 June 2024, none of the Directors, chief executives and their respective associates had any interests in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register maintained 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.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/ OTHER PERSONS UNDER THE SFO

The register of interests in shares and short positions maintained under section 336 of the SFO showed that as at 30 June 2024, the Company had been notified of the following interests in shares representing 5% or more of the Company's issued share capital:

LONG POSITION AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS IN THE SHARES AND/OR UNDERLYING SHARES

Name of substantial shareholders	Capacity	Number of shares	Percentage of nominal value of issued share capital
Ms. Ku Ming Mei, Rouisa (Note)	Interest of spouse	1,294,809,889	33.00%
Moral Glory	Beneficial owner	1,246,054,889	31.75%

Note: Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she was deemed to be interested in 1,294,809,889 shares under the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Financial Year and up to the date of this Report, to the best knowledge of the Directors, none of the Directors and their respective associates were considered to have any interests in the businesses which compete or were likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed elsewhere in the Directors' Report, no contracts of significance to which the Company or any of its subsidiaries was a part in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Financial Year.

PERMITTED INDEMNITY PROVISIONS

During the Financial Year and up to the date of this report, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the Articles and in the D&O Insurance maintained for the Group in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

DIRECTORS' SERVICE CONTRACTS

Mr. Lo has entered into a service contract with the Company for a fixed term of three years commencing on 1 April 2022, subject to retirement by rotation and re-election at AGM, and will continue thereafter until terminated in accordance with the terms of the service contract. The aforesaid service contract may be terminated by not less than one year's notice in writing served by either party on the other. Apart from the foregoing, no Director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company was entered into or existed during the Financial Year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements which may result in the Company issuing shares was entered into or existing during the Financial Year, save for the share option schemes of the Company as set out in Note 29 to the consolidated financial statements and "Share Option Schemes" section contained in this Directors' Report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Schemes" below, at no time during the Financial Year was the Company or any of its subsidiaries a party to any other arrangements to enable the Directors or chief executive or any of their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

SHARE OPTION SCHEMES

Pursuant to a share option scheme adopted by the Company on 23 November 2011 (the "**2011 Option Scheme**"), the Company granted certain options to eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The 2011 Option Scheme was expired on 22 November 2021. Under the share option scheme adopted by the Company on 29 November 2021 (the "**2021 Option Scheme**"), options were granted to certain Directors, employees and other eligible participants of the Company entitling them to subscribe for shares of HK$0.01 each in the capital of the Company.

The following is a summary of the terms of the 2021 Option Scheme:

1. PURPOSE

The purpose of the 2021 Option Scheme is to enable the Company to grant options to the participants as incentive or rewards for their contributions to the Group.

2. PARTICIPANTS

The participants of the 2021 Option Scheme include any Director, employee, consultant, agent, supplier and advisor of the Group or any entities in which the Group holds any equity interest.

3. NUMBER OF SHARES AVAILABLE FOR ISSUE

The total number of shares available for issue under the 2021 Option Scheme is 156,000,000 shares which represents 3.98% of the issued share capital of the Company as at 30 June 2024.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares of the Company in issue unless separately approved by the shareholders in general meeting.

5. OPTION PERIOD

An option may be exercised in accordance with the terms of the 2021 Option Scheme at any time during the period as the Board in its absolute discretion determines and in any event such period of time shall not be more than 10 years from the date upon which the offer of the option is made to the grantee.

6. VESTING PERIOD

The Directors may, if consider appropriate, determine the minimum period for which an option must be held before it can be exercised.

7. AMOUNT PAYABLE ON ACCEPTANCE OF OPTION

Upon acceptance of the offer for an option, the grantee shall pay HK$1.00 as consideration for the grant.

8. SUBSCRIPTION PRICE

The subscription price for a share in respect of any option granted shall be a price determined by the Board in its absolute discretion but shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business day immediately preceding the date of grant; and (iii) the nominal value of a share.

9. LIFE OF THE OPTION SCHEME

The 2021 Option Scheme is valid and effective for a term of ten years commencing from 29 November 2021.

Details of the movement in outstanding share options, which have been granted under the 2011 Option Scheme and 2021 Option Scheme, during the Financial Year were as below:

					Number of shares subject to options				
Name on category of participants	Date of grant	Exercise price HK$	Exercise period	Vesting period	As at 1 July 2023	Granted during the Financial Year	Lapsed during the Financial Year	Exercised during the Financial Year	As at 30 June 2024
Mr. Lo	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	18,000,000	–	–	–	18,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	29,000,000	–	–	–	29,000,000
Mr. Ho Hau Chong, Norman	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	–	–	–	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000	–	–	–	10,000,000
Ms. Yvette Ong	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	–	–	–	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000	–	–	–	10,000,000
Mr. Lo, Rex Cze Kei	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	10,000,000	–	–	–	10,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000	–	–	–	10,000,000
Mr. Lo, Chris Cze Wai	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	–	–	–	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	10,000,000	–	–	–	10,000,000
Mr. Tsui Hing Chuen, William *JP*	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	–	–	–	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Mr. Lau Wai Piu	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	–	–	–	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Mr. Lee Kee Wai, Frank	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	–	–	–	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Service Providers									
Mr. Ho Cheuk Yin	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000	–	–	–	25,000,000
Mr. Kwok Ying Tung, Daniel	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	3,000,000	–	–	–	3,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000	–	–	–	3,000,000
Ms. Yu Chim Lan	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000	–	–	–	25,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	25,000,000	–	–	–	25,000,000
Mr. Choi Man Yu, Frankie	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	5,000,000	–	–	–	5,000,000
	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Ms. Wu Qiong	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Mr. Yue Pak Hang	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	5,000,000	–	–	–	5,000,000
Ms. Su Yang	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000	–	–	–	3,000,000
Ms. Zhang, Guiping	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000	–	–	–	3,000,000
Ms. Zhang, Wei	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	3,000,000	–	–	–	3,000,000
Employees (including directors of	25/03/2020	0.274	25/03/2020 to 24/03/2025	N/A	25,000,000	–	–	–	25,000,000
certain subsidiaries)	11/04/2022	0.169	11/04/2022 to 10/04/2027	N/A	20,000,000	–	–	–	20,000,000
Total					**307,000,000**	**–**	**–**	**–**	**307,000,000**

Notes:

1. The number of options available for grant under 2021 Option Scheme at 1 July 2023 and 30 June 2024 were 236,419,046 Shares respectively.

2. As at 30 June 2024, the number of shares available for issue under the 2011 Option Scheme and 2021 Option Scheme were 307,000,000 ordinary shares. The weighted average number of shares for the financial Year were 3,924,190,467. The calculation pursuant to Rule 17.07(3) of the Listing Rules is approximately 0.078.

Save as disclosed above, at no time during the Financial Year was the Company or any of its subsidiaries a party to any other arrangements to enable the Directors or chief executive or any of their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

CONNECTED TRANSACTION

During the Financial Year, there were no connected transactions and continuing connected transactions which were required to be disclosed in accordance with the requirements of the Listing Rules.

None of the related party transactions as set out in Note 34 to the consolidated financial statements constituted a discloseable connected transaction under Chapter 14A of the Listing Rules.

GROUP'S BORROWINGS

Details of the Group's borrowings are set out in Notes 28 and 34 to the consolidated financial statements.

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

During the Financial Year, the Company has not redeemed and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

EMOLUMENT POLICY

As at 30 June 2024, the Group had employed a total of 50 full-time employees (2023: 63) in Hong Kong and China. The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Directors are reviewed and determined by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Group also offers appropriate training programs for staff training and development. No Director, or any of his/her associates involved in deciding his/her own remuneration.

The Company has adopted share option scheme as incentive to Directors and eligible employees, and details of the schemes are set out in Note 29 to the consolidated financial statement and the Share Option Schemes on page 27 to 29.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme operated by the Group are set out in Note 36.14(a) to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the prescribed public float under the Listing Rules throughout the Financial Year.

INDEPENDENT AUDITOR

The consolidated financial statements have been audited by PwC who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Lo Lin Shing, Simon
Chairman

Hong Kong, 27 September 2024

Independent Auditor's Report

pwc

羅兵咸永道

To the Shareholders of Vision Values Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

WHAT WE HAVE AUDITED

The consolidated financial statements of Vision Values Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 38 to 104, comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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.

KEY AUDIT MATTERS

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

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

- Fair values of investment properties
- Impairment of exploration and evaluation assets

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair values of investment properties	
Refer to Note 5(a) and Note 18 to the consolidated financial statements. As at 30 June 2024, the carrying amount of the investment properties was HK$241.4 million, which were stated at fair values. Fair value losses for investment properties of HK$42.1 million were accounted for in the Group's consolidated statement of profit or loss for the year ended 30 June 2024. Fair values of the investment properties of the Group were supported by valuations performed by an independent external valuer and are derived using the direct comparison method. The valuations of investment properties were dependent on certain key assumptions that required significant management judgement, including price per square metre. We focused on this area since the carrying amounts of the investment properties are significant to the consolidated financial statements and determination of key valuation assumptions requires the use of significant judgement and estimates.	Our audit procedures to address this key audit matter included: – Obtained an understanding of the management's assessment process of fair values of investment properties of the Group and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, change and susceptibility to management bias or fraud; – Evaluated the competence, capability and objectivity of the independent external valuer by considering their qualification, experience in the locations and segment of the investment properties valuation; – Discussed with the independent external valuer and management to understand the valuation method and the key assumptions applied; – Assessed the appropriateness of the valuation method used based on our knowledge of the industry and the assistance from our in-house valuation specialist; and – Assessed and challenged the reasonableness of key assumptions applied by comparing to market and industry data, including comparable properties' market price. Based on the procedures described, we found that the valuation method used and key assumptions applied in the valuation to be supportable by available evidence.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of exploration and evaluation assets	
Refer to Note 5(b) and Note 19 to the consolidated financial statements. As at 30 June 2024, the carrying amount of the exploration and evaluation assets of the Group was HK$96.4 million. Exploration and evaluation assets were stated at cost less any accumulated impairment loss. No impairment loss on exploration and evaluation assets was recognised in consolidated statement of profit or loss for the year ended 30 June 2024. Management performed assessment at the end of each reporting period whether there is any indication that exploration and evaluation assets may be impaired. Should indication of impairment exist, an impairment assessment will be performed accordingly. Management judgement was required to assess whether there is indication that the exploration and evaluation assets may be impaired. Areas of significant judgements involved in the management's assessments included evaluating the status of mining licence, the likely future commercial viability of the exploration and evaluation assets and the budget for the future development cost.	Our audit procedures to address this key audit matter included: – Obtained an understanding of the management's assessment process of impairment of exploration and evaluation assets of the Group and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, change and susceptibility to management bias or fraud; – Evaluated the right to exploration and mining by checking to the mining licence; – Corroborated certain key information included in the technical reports prepared by the management's internal mining expert with the reference to certain external experts' reports. These references include geophysical survey report and laboratory report from external experts; – Evaluated the competency and capabilities of the management's internal and external mining experts by assessing their qualifications and experience in the industry; Our audit procedures in relation to management's assessment of impairment indicators of exploration and evaluation assets included: – Discussed with management about the likelihood of renewal of the exploration rights upon expiry; – Reviewed management's approved budget to assess whether the expenditure on further exploration for and evaluation of mineral resources is budgeted or planned, and the reasonableness of the budget for the future development cost; – Interviewed the management's internal mining expert and understood the rationale in (i) determining the likely future commercial viability of the exploration and evaluation assets; and (ii) supporting management's intention to continue the exploration and evaluation activities, based on the findings from the technical reports prepared by the management's internal mining expert; and

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
We focused on this area due to the significant judgement and estimates involved in identifying the existence of any impairment indicator and reviewing the impairment assessment performed by management, if applicable.	– Assessed management's assumptions on the recoverability of the exploration and evaluation assets, based on information which include market researches on the price of mineral resources. Based on the procedures described, we found that management's assessments on existence of impairment indicators for exploration and evaluation assets were supportable by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including Chairman's Statement prior to the date of this auditors' report. The remaining other information, including Corporate Governance Report, Director's Profile, Director's Report, Environmental, Social and Governance Report and other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 Audit Committee, 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wilson Chan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 September 2024

Consolidated Statement of Profit or Loss

	Note	Year ended 30 June 2024 HK$'000	 2023 HK$'000
Revenue	6	**524,823**	400,723
Other gains, net	8	**271**	1,419
Changes in inventories of finished goods and work in progress	21	**(2,538)**	(1,896)
Subcontracting fees for project services		**(1,515)**	(8,455)
Direct operating costs for private jet management services		**(18,688)**	(17,633)
Direct operating costs for logistics services		**(399,335)**	(297,117)
Direct operating costs for trading of minerals		**(18,064)**	–
Fair value (losses)/gains on investment properties	18	**(44,112)**	3,784
Employee benefit expenses	11	**(38,351)**	(40,891)
Depreciation		**(6,913)**	(7,431)
Other expenses	10	**(23,188)**	(20,491)
Operating (loss)/profit		**(27,610)**	12,012
Finance income	9	**127**	413
Finance costs	9	**(9,859)**	(7,291)
(Loss)/profit before income tax		**(37,342)**	5,134
Income tax expense	13	**(6,469)**	(4,745)
(Loss)/profit for the year		**(43,811)**	389
(Loss)/profit is attributable to:			
Owners of the Company		**(56,467)**	(10,029)
Non-controlling interests		**12,656**	10,418
		(43,811)	389
Loss per share attributable to owners of the Company for the year (HK cents)	14		
Basic and diluted loss per share		**(1.44)**	(0.26)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Year ended 30 June	
	2024	2023
	HK$'000	HK$'000
(Loss)/profit for the year	**(43,811)**	389
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(36)**	(9,326)
Total comprehensive loss for the year	**(43,847)**	(8,937)
Total comprehensive loss is attributable to:		
Owners of the Company	**(56,503)**	(19,355)
Non-controlling interests	**12,656**	10,418
Total comprehensive loss for the year	**(43,847)**	(8,937)
Total comprehensive loss for the year attributable to owners of the Company	**(56,503)**	(19,355)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

		As at 30 June	
	Note	**2024** **HK$'000**	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**13,805**	18,441
Right-of-use assets	17	**2,254**	3,341
Investment properties	18	**239,338**	283,450
Exploration and evaluation assets	19	**96,447**	82,995
Rental deposit	24	**168**	231
		352,012	388,458
Current assets			
Inventories	21	**730**	1,023
Trade and bills receivables	22	**261,930**	194,492
Prepayments, deposits and other receivables	24	**7,015**	9,880
Contract assets	22	**38,647**	15,563
Cash and cash equivalents	23	**41,358**	24,193
		349,680	245,151
Total assets		**701,692**	633,609
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	29	**39,242**	39,242
Other reserves		**471,168**	467,823
Accumulated losses		**(315,414)**	(255,566)
		194,996	251,499
Non-controlling interests		**90,241**	74,701
Total equity		**285,237**	326,200

Consolidated Statement of Financial Position (Continued)

	Note	As at 30 June 2024 HK$'000	2023 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	25	**2,331**	2,781
Lease liabilities	17	**434**	1,299
Loan from a director	34(b)	**136,715**	102,695
		139,480	106,775
Current liabilities			
Trade payables	26	**32,024**	6,284
Accrued charges and other payables	27	**49,046**	43,751
Contract liabilities		**1,230**	7,778
Borrowings	28	**188,934**	137,641
Lease liabilities	17	**1,476**	1,907
Tax payable		**4,265**	3,273
		276,975	200,634
Total liabilities		**416,455**	307,409
Total equity and liabilities		**701,692**	633,609
Net current assets		**72,705**	44,517

The consolidated financial statements on pages 38 to 104 were approved by the Board of Directors on 27 September 2024 and were signed on its behalf.

Lo Lin Shing, Simon
Director

Lo, Rex Cze Kei
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended 30 June 2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Net cash used in operations	31(a)	**(39,173)**	(142,517)
Hong Kong profits tax paid		**(291)**	–
Hong Kong profits tax refunded		**390**	–
People's Republic of China ("**PRC**") corporate income tax paid		**(6,026)**	(5,094)
Net cash used in operating activities		**(45,100)**	(147,611)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(565)**	(935)
Proceeds from disposal of property, plant and equipment	31(b)	**179**	37
Additions of exploration and evaluation assets	19	**(13,452)**	(7,767)
Interest received		**127**	413
Net cash used in investing activities		**(13,711)**	(8,252)
Cash flows from financing activities			
Proceeds from borrowings	31(c)	**188,934**	129,274
Repayment of bank borrowings	31(c)	**(137,641)**	(68,000)
Increase in loan from a director	31(c)	**27,400**	95,200
Contribution from non-controlling interests		**2,884**	5,809
Payment of lease liabilities	31(c)	**(2,326)**	(1,978)
Interest paid		**(3,239)**	(2,805)
Net cash generated from financing activities		**76,012**	157,500
Net increase in cash and cash equivalents		**17,201**	1,637
Cash and cash equivalents at beginning of year		**24,193**	22,893
Effect on foreign exchange rate changes		**(36)**	(337)
Cash and cash equivalents at end of year	23	**41,358**	24,193

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Attributable to Owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Share option reserve HK$'000	Currency translation reserve HK$'000	Statutory Surplus Reserve (Note) HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2022	39,242	443,727	2,366	38,280	(1,657)	–	(251,104)	270,854	58,474	329,328
Comprehensive income/(loss):										
Profit for the year	–	–	–	–	–	–	(10,029)	(10,029)	10,418	389
Other comprehensive loss:										
Currency translation differences	–	–	–	–	(9,326)	–	–	(9,326)	–	(9,326)
Total comprehensive income/(loss) for the year	–	–	–	–	(9,326)	–	(10,029)	(19,355)	10,418	(8,937)
Transactions with owners in their capacity as owners:										
Share options lapsed	–	–	–	(7,465)	–	–	7,465	–	–	–
Transfer to statutory reserve	–	–	–	–	–	1,898	(1,898)	–	–	–
Total contributions by owners of the Company recognised directly in equity	–	–	–	(7,465)	–	1,898	5,567	–	–	–
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	5,809	5,809
Total transactions with owners recognised directly in equity	–	–	–	(7,465)	–	1,898	5,567	–	5,809	5,809
At 30 June 2023	39,242	443,727	2,366	30,815	(10,983)	1,898	(255,566)	251,499	74,701	326,200

Consolidated Statement of Changes in Equity (Continued)

	Attributable to Owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000	Share option reserve HK$'000	Currency translation reserve HK$'000	Statutory Surplus Reserve (Note) HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 July 2023	39,242	443,727	2,366	30,815	(10,983)	1,898	(255,566)	251,499	74,701	326,200
Comprehensive income/(loss):										
Loss for the year	-	-	-	-	-	-	(56,467)	(56,467)	12,656	(43,811)
Other comprehensive loss:										
Currency translation differences	-	-	-	-	(36)	-	-	(36)	-	(36)
Total comprehensive income/(loss) for the year	-	-	-	-	(36)	-	(56,467)	(56,503)	12,656	(43,847)
Transactions with owners in their capacity as owners:										
Transfer to statutory reserve	-	-	-	-	-	3,381	(3,381)	-	-	-
Total contributions by owners of the Company recognised directly in equity	-	-	-	-	-	3,381	(3,381)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	2,884	2,884
Total transactions with owners recognised directly in equity	-	-	-	-	-	3,381	(3,381)	-	2,884	2,884
At 30 June 2024	39,242	443,727	2,366	30,815	(11,019)	5,279	(315,414)	194,996	90,241	285,237

Note: The balance mainly represents statutory surplus reserve. In accordance with articles of association of certain subsidiaries incorporated in the PRC, the subsidiaries are required to transfer 10% of the profit after taxation prepared in accordance with PRC accounting standards to the statutory reserve until the balance reaches 50% of the registered share capital. Such reserve can be used to reduce any losses incurred and to increase share capital.

The above consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Vision Values Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") are principally engaged in property investment, private jet management services in Hong Kong, minerals exploration in Mongolia, and provision of logistics services in the PRC.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its principal place of business is 17th Floor, 118 Connaught Road West, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are stated at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

3 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in notes to the consolidated financial statements or Note 36. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. NEW STANDARD AND AMENDMENTS TO EXISTING STANDARDS ADOPTED BY THE GROUP

The following new standard and amendments to existing standards are mandatory for the first time for the financial year beginning 1 July 2023 and have been adopted in the preparation of the consolidated financial statements.

		Effective for annual periods beginning on or after
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 July 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 July 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 July 2023
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules	1 July 2023
HKFRS 17	Insurance Contracts	1 July 2023
HKFRS 17 (Amendments)	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information	1 July 2023

3 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES (Continued)

a. NEW STANDARD AND AMENDMENTS TO EXISTING STANDARDS ADOPTED BY THE GROUP (Continued)

The adoption of these amendments to existing standards and conceptual framework did not have any significant change on the Group's accounting policies or any significant impact on the consolidated financial statements of the Group.

b. AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATION THAT ARE NOT EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE GROUP

The following amendments to existing standards and interpretation have been issued but are not effective for the financial year beginning on 1 July 2023 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 July 2024
HKAS 1 (Amendment)	Non-current Liabilities with Covenants	1 July 2024
Hong Kong Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 July 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 July 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 July 2024
Amendments to HKAS 21	Lack of Exchangeability	1 July 2025
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associates or Joint Ventures	To be determined

None of the above amendments to existing standards and interpretation is expected to have a significant impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions. The Group will adopt the above amendments to existing standards and interpretation when they become effective.

3 CHANGES IN ACCOUNTING POLICES AND DISCLOSURES (Continued)

c. CHANGE IN ACCOUNTING POLICY ON OFFSETTING ARRANGEMENT IN LONG SERVICE PAYMENT SCHEME IN HONG KONG

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which will be effective from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("**MPF Benefits**") of an entity would no longer be eligible to offset against its obligations on long service payment ("**LSP**") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "**practical expedient**") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "**Guidance**") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a 'simple type of contributory plans' to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). This change in accounting policy upon the cessation in applying the practical expedient has resulted in a catch-up adjustment for past service costs and a corresponding increase in the Group's LSP obligations in the year of enactment of the Amendment Ordinance (i.e. year ended 30 June 2024). The adjustment is recognised as past service costs in profit or loss for the year ended 30 June 2024 as the Amendment Ordinance is not contemplated in the original LSP legislation.

The abovementioned change in accounting policy does not have material impact to the financial statements of the current and prior years.

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management. Management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

a. Market Risk

i. Foreign Exchange Risk

The Group operates in Hong Kong, Mainland China and Mongolia and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollars ("**US$**"), Renminbi ("**RMB**") and Mongolian Tugrik ("**MNT**"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by engaging in transactions mainly in HK$, US$, RMB and MNT to the extent possible. The Group manages its exposure through constant monitoring to minimise the amount of its foreign currencies exposures.

As at 30 June 2024 and 2023, the Group did not use any financial instruments to hedge against foreign currency risk.

The foreign exchange risk on US$ is insignificant as the HK$ is pegged with the US$.

As at 30 June 2024, if RMB had strengthened/weakened by 1% against HK$ with all other variables held constant, loss for the year ended 30 June 2024 (2023: profit for the year) would have been approximately HK$1,338,000 lower/higher (2023: HK$2,549,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of RMB denominated trade and other receivables and cash and cash equivalents and restricted bank deposits held by the Group's entities in the PRC.

The Group is mainly exposed to the currencies of RMB and MNT against HK$, the functional currency of relevant Group entities.

The foreign exchange risk on MNT is insignificant as the Group does not have significant net assets denominated in MNT.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

a. Market Risk (Continued)

ii. Cash Flow and Fair Value Interest Rate Risk

The Group's cash flow interest rate risk mainly arises from banks deposits and borrowings carried at floating interest rates. The Group manages cash balances and deposits by comparing quotations from banks, with a view to selecting for the terms that are most favourable to the Group.

If the market interest rates for cash and cash equivalents and borrowings had been 50 basis points (2023: 50 basis points) higher/lower with all other variables held constant, the Group's pre-tax loss for the year ended 30 June 2024 (2023: pre-tax profit) would have been approximately HK$616,000 higher/lower (2023: HK$567,000 lower/higher).

b. Credit Risk

Credit risk is managed on a group basis. Credit risk arises from cash and bank balances and trade, bills and other receivables (except for prepayments), including outstanding receivables and committed transactions and contract assets. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

At the balance sheet date, the Group has certain concentration of credit risk as 29% (2023: 46%) of the total cash and bank balances were placed with a reputable bank.

The credit risk for cash at banks are limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group has policies that limit the amount of credit exposure to any one financial institution. The identified loss allowance for cash and cash equivalents was insignificant as at 30 June 2024 and 2023.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk. Top five customers constituted 93% of the Group's trade receivables as at 30 June 2024 (2023: 86%).

Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amounts of aforementioned assets.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

b. Credit Risk (Continued)

Impairment of trade and bills receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on probabilities of default and loss rates from external credit ratings, industry-specific data or internal and external credit data sources. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors on the global economic growth affecting the ability of the customers to settle the receivables. The identified loss allowance for trade receivables and contract assets was insignificant as at 30 June 2024 and 2023.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating (loss)/profit.

Subsequent recoveries of amounts previously written off are credited against the same line item. As at 30 June 2024 and 2023, no trade receivables and contract assets were written off.

All bank deposits are deposited with reputable banks in the PRC. Most of the bills receivables are issued from state-owned banks in the PRC. The credit quality of bills receivables has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of bills receivables are assessed to be close to zero and no provision was made as at 30 June 2024 and 2023.

Impairment on other financial assets at amortised cost

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated.

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the company's ability to meet its obligations;
- actual or expected significant changes in the operating results of the company; and
- significant changes in the expected performance and behavior of the company, including changes in the payment status of the third party.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

b. Credit Risk (Continued)

***Impairment on other financial assets at amortised cost** (Continued)*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 365 days past due. Where the receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Other financial assets at amortised cost include certain deposits and other receivables. These financial assets are considered to be low credit risk primarily because they had no history of default and the counterparties had strong capacity to meet their contractual cash flow obligations in the near term. Management does not expect any losses from non-performance by these counterparties. The Group assessed that the expected credit losses for these receivables were insignificant under 12-month expected losses method. Thus, the loss allowance recognised for these balances was close to zero.

c. Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of banking facilities and committed facilities granted by a Director. Management maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents.

The Group's policy to monitor current and expected liquidity requirements regularly to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of committed credit facilities to meet its working capital requirements.

The table below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
As at 30 June 2024				
Trade payables	32,024	–	–	32,024
Loan from a director and interest payments	17,200	131,686	–	148,886
Borrowings and interest payments	189,675	–	–	189,675
Lease liabilities and interest payments	1,542	458	–	2,000
Other payables	35,492	–	–	35,492
	275,933	132,144	–	408,077

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

c. Liquidity Risk (Continued)

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
As at 30 June 2023				
Trade payables	6,284	–	–	6,284
Loan from a director and interest payments	9,177	103,231	–	112,408
Borrowings and interest payments	138,306	–	–	138,306
Lease liabilities and interest payments	2,146	1,339	–	3,485
Other payables	27,366	–	–	27,366
	183,279	104,570	–	287,849

During the year ended 30 June 2024, the Group recorded a loss for the year of HK$43,811,000 (2023: profit for the year of HK$389,000). As at 30 June 2024, the Group's current assets exceeded its current liabilities by HK$72,705,000 (2023: HK$44,517,000). The net current assets were mainly attributed to trade and bill receivables amounting to HK$261,930,000 as at 30 June 2024 (2023: HK$194,492,000).

4.2 CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Group comprising share capital and reserves.

Management of the Group reviews the capital structure regularly, taking into account of the cost and risk associated. The Group will then balance its capital structure through the payment of dividends and new shares issues.

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 CAPITAL RISK MANAGEMENT (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debts (including borrowings and loan from a director) divided by total assets as shown in the consolidated statement of financial position.

	2024 HK$'000	2023 HK$'000
Borrowings	**188,934**	137,641
Loan from a director	**136,715**	102,695
Total debts	**325,649**	240,336
Total assets	**701,692**	633,609
Gearing ratio	**46.4%**	37.9%

The directors regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient financial resources to meet their liquidity requirements in the short and long term.

4.3 FAIR VALUE ESTIMATION

The different levels of financial instruments carried at fair value have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value estimation of the investment properties is categorised in level 3 hierarchy. See Note 18 for disclosures of the investment properties that are measured at fair value.

The carrying amounts of trade and bills receivables, deposits and other receivables and accruals and other payables are reasonable approximations of their fair values as at 30 June 2024 and 2023 due to their short-term maturities.

The fair values of the borrowings as at 30 June 2024 and 2023 approximate their carrying amounts as they bear interest at floating rates that are market dependent. The fair value of loan from a director are estimated by discounting the future contractual cash flows at the current market interest rate that are available to the Group for similar financial instruments.

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

a. FAIR VALUES OF INVESTMENT PROPERTIES

Investment properties are carried in the statement of financial position at fair value as determined based on professional valuation. In determining the fair values of the investment properties, the valuer uses assumptions and estimates that reflect, amongst other things, comparable market transactions. Judgment is required to determine the principal valuation assumptions to determine the fair value of the investment properties. Changes in fair values of investment properties are recorded and presented separately in the consolidated statement of profit or loss. Details of the judgement and assumptions have been disclosed in Note 18.

b. IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

An entity shall assess at each reporting date whether there is an indication, based on either internal or external sources of information, that the carrying amount of exploration and evaluation assets acquired may be impaired. If an indication is identified, the Group shall undertake an impairment assessment. This assessment will determine whether the exploration and evaluation assets are impaired which requires an estimation of the recoverable amount of the cash-generating unit to which the exploration and evaluation assets have been allocated, by value in use and fair value less costs to sell approaches. The assessment will estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. No impairment loss was recognised in the consolidated statement of profit or loss for the years ended 30 June 2024 (2023: Nil).

c. PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 4.1(b).

d. PROVISION OF CURRENT AND DEFERRED INCOME TAX

The Group is subject to income taxes in various jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimates, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimates is changed.

6 REVENUE

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

	2024 HK$'000	2023 HK$'000
Logistics services income	**456,052**	352,125
Trading of minerals	**25,027**	–
Private jet management services income	**32,322**	29,120
Rental income	**5,136**	6,077
Network solutions and project services fee	**6,286**	13,401
	524,823	400,723

Revenue of HK$7,529,000 was recognised for the year ended 30 June 2024 (2023: HK$6,613,000) related to carried-forward contract liabilities.

ACCOUNTING POLICY OF REVENUE RECOGNITION

The Group engaged in provision of network solutions and project services, private jet management services, trading of minerals and logistics services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided using the percentage of completion method, because the customer receives and uses the benefits simultaneously. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the consolidated statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management. If the contract includes a monthly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities under other payables and accruals as receipt in advance from customers in the consolidated balance sheet.

Revenue derived from property investment is recognised on a straight-line basis over the terms of relevant leases.

Revenue derived from trading of minerals is recognised at the point of sale to customers.

7 SEGMENT INFORMATION

The Group's reportable operating segments are: (i) property investment; (ii) minerals exploration; (iii) private jet management services; (iv) logistics services; and (v) others.

The chief operating decision maker ("**CODM**") has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. The Executive Directors determined the operating segments based on these reports.

The Executive Directors assess the performance of operating segments based on a measure of segment results. This measurement basis is revenue less direct attributable expenses to revenue but excluding depreciation. Other information provided, except as described below, to the Directors is measured in a manner consistent with that in the consolidated financial statements. Segment assets exclude other assets that are managed on a central basis.

There are no sales or other transactions between business segments.

The segment revenue and results for the year ended 30 June 2024:

	Logistics services HK$'000	Property investment HK$'000	Minerals exploration HK$'000	Private jet management services HK$'000	Others HK$'000	Total HK$'000
Segment revenue	456,052	5,136	–	32,322	31,313	524,823
Segment results	46,848	3,989	–	13,634	4,028	68,499
Depreciation	(4,921)	–	(146)	(1,032)	(142)	(6,241)
Fair value losses on investment properties	–	(44,112)	–	–	–	(44,112)
Unallocated expenses (Note a)						(45,756)
Finance costs						(9,859)
Finance income						127
Loss before income tax						(37,342)
Other segment information – Capital expenditure (Note b)	545	–	13,459	–	13	14,017

Notes to the Consolidated Financial Statements (Continued)

7 SEGMENT INFORMATION (Continued)

The segment revenue and results for the year ended 30 June 2023:

	Logistics services HK$'000	Property investment HK$'000	Minerals exploration HK$'000	Private jet management service HK$'000	Others HK$'000	Total HK$'000
Segment revenue	352,125	6,077	–	29,120	13,401	400,723
Segment results	43,974	4,981	–	11,488	2,485	62,928
Depreciation	(4,976)	–	(293)	(1,473)	(292)	(7,034)
Fair value gains on investment properties	–	3,784	–	–	–	3,784
Unallocated expenses (Note a)						(47,666)
Finance costs						(7,291)
Finance income						413
Profit before income tax						5,134
Other segment information						
– Capital expenditure (Note b)	851	–	7,767	30	–	8,648
– Unallocated capital expenditure						54
						8,702

Notes:

a. Unallocated expenses mainly include unallocated employee benefit expenses, legal and professional fees and reimbursement of sharing of administrative services incurred at corporate level.

b. This relates to additions to property, plant and equipment and exploration and evaluation assets.

7 SEGMENT INFORMATION (Continued)

SEGMENT ASSETS

As at 30 June 2024

	Logistics services HK$'000	Property investment HK$'000	Minerals exploration HK$'000	Private jet management services HK$'000	Others HK$'000	Total HK$'000
Total segment assets	**302,747**	**240,186**	**96,742**	**13,879**	**2,753**	**656,307**
Unallocated						
– Cash and cash equivalents						**41,358**
– Other unallocated assets						**4,027**
Consolidated total assets						**701,692**

As at 30 June 2023

	Logistics services HK$'000	Property investment HK$'000	Minerals exploration HK$'000	Private jet management services HK$'000	Others HK$'000	Total HK$'000
Total segment assets	212,128	284,595	83,394	10,355	9,843	600,315
Unallocated						
– Cash and cash equivalents						24,193
– Other unallocated assets						9,101
Consolidated total assets						633,609

The Company is domiciled in Hong Kong and the Group is operating in three main geographical areas:

Hong Kong	:	Property investment, private jet management services and others
Mainland China	:	Property investment, logistics services and others
Mongolia	:	Minerals exploration

7 SEGMENT INFORMATION (Continued)

SEGMENT ASSETS (Continued)

There are neither sales nor other transactions between the geographical areas in the year ended 30 June 2024.

	Non-current assets		Revenue	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Hong Kong	**207,310**	251,406	**42,642**	47,437
Mainland China	**48,034**	53,292	**482,181**	353,286
Mongolia	**96,668**	83,760	**–**	–
	352,012	388,458	**524,823**	400,723

The Group's revenue by geographical location is determined by the places/countries in which the customers are located. The Group's non-current assets by geographical location are determined by the places/countries in which the assets are located.

REVENUE FROM MAJOR CUSTOMERS

Revenue from each major customer which accounted for 10% or more of the Group's revenue for each of the financial year is set out below. The revenue is attributable to the segment of logistics services in Mainland China.

	2024 HK$'000	2023 HK$'000
Customer A	**227,343**	175,395
Customer B	**212,137**	134,232
	439,480	309,627

8 OTHER GAINS, NET

	2024 HK$'000	2023 HK$'000
Government grants (Note)	**–**	496
Sundry income	**332**	921
Gain on disposal of property, plant and equipment	**51**	2
Write-off of property, plant and equipment	**(112)**	–
	271	1,419

Note: Government grants mainly represents benefits received from the HKSAR Government under COVID-19 related employment support schemes. The Group has complied all attached conditions and recognised in the consolidated statement of profit or loss for the year ended 30 June 2023. No government grants was recognised for the year ended 30 June 2024.

9 FINANCE INCOME AND COSTS

	2024 HK$'000	2023 HK$'000
Finance income		
– Bank interest income	**127**	413
Finance costs		
– Interest expense on bank loans	**(3,106)**	(2,710)
– Interest expense on loan from a director (Note 34(a))	**(6,620)**	(4,486)
– Interest expense on lease liabilities (Note 17(b))	**(133)**	(95)
	(9,859)	(7,291)

10 OTHER EXPENSES

Other expenses included the following:

	2024 HK$'000	2023 HK$'000
Auditor's remuneration		
– Audit services	**1,920**	2,330
– Non-audit services	**29**	28
Direct operating expenses from investment properties that generate rental income	**1,147**	1,096
Loss on derecognition of right-of-use assets	**165**	–
Exchange (gains)/losses, net	**(95)**	336
Operating lease rental for short-term leases (Note 17(b))	**879**	1,036
Legal and professional fee	**3,656**	4,111
Insurance	**781**	754
Reimbursement of sharing of administrative services (Note 34(a))	**7,742**	7,358

11 EMPLOYEE BENEFIT EXPENSES (INCLUDING BENEFITS AND INTEREST OF DIRECTORS)

	2024 HK$'000	2023 HK$'000
Wages and salaries	**37,178**	40,258
Pension costs – defined contribution plans	**1,173**	633
	38,351	40,891

The retirement benefit costs under MPF Scheme charged to the consolidated statement of profit or loss represent the net contribution after netting off with forfeited contributions. There were no forfeited contributions for both years. At 30 June 2024, no contribution was outstanding to the scheme and there were no unutilised forfeited contributions (2023: Nil).

11 EMPLOYEE BENEFIT EXPENSES (INCLUDING BENEFITS AND INTEREST OF DIRECTORS) (Continued)

The employees of the Group's subsidiaries which operate in Mongolia are required to participate in the social insurance scheme operated by the local government. According to the "Social Insurance Law of Mongolia", these subsidiaries have a duty to withhold 11.5% of employees' salary or similar income from the employees (the "**Relevant Income**") and 14.5% of Relevant Income as employers' contribution. Employers' contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the social insurance scheme.

The subsidiary in the PRC participates in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organised and administered by the relevant governmental authorities for employees in the PRC. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations.

12 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS

a. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The aggregate amounts of emoluments paid and payable to Directors and Chief Executive of the Company during the year are as follows:

	2024 HK$'000	2023 HK$'000
Fees	**1,581**	1,329
Other emoluments	**9,090**	8,652
	10,671	9,981

Neither the Chief Executive nor any of the Directors of the Company waived any emoluments during the year (2023: Nil).

12 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

a. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Details of the emoluments paid and payable to the Directors and the Chief Executive of the Company are as follows:

	2024				
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Share-based payment HK$'000	Pension costs – defined contribution plans HK$'000	Total HK$'000
Executive Directors					
Mr. Lo	100	6,000	–	18	6,118
Mr. Ho Hau Chong, Norman	100	–	–	–	100
Ms. Yvette Ong	–	1,200	–	18	1,218
Mr. Lo, Rex Cze Kei	100	600	–	18	718
Mr. Lo, Chris Cze Wai	100	600	–	18	718
Non-executive Director					
Mr. Lo, James Cze Chung	100	600	–	18	718
Independent Non-executive Directors					
Mr. Lau Wai Piu	300	–	–	–	300
Mr. Tsui Hing Chuen, William	300	–	–	–	300
Mr. Lee Kee Wai, Frank	300	–	–	–	300
Mr. Wei Chi Kuen, Kenny (Note)	181	–	–	–	181
	1,581	9,000	–	90	10,671

12 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

a. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

	2023				
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Share-based payment HK$'000	Pension costs – defined contribution plans HK$'000	Total HK$'000
Executive Directors					
Mr. Lo	100	6,000	–	18	6,118
Mr. Ho Hau Chong, Norman	100	–	–	–	100
Ms. Yvette Ong	–	1,200	–	18	1,218
Mr. Lo, Rex Cze Kei	100	600	–	18	718
Mr. Lo, Chris Cze Wai	100	600	–	18	718
Non-executive Director					
Mr. Lo, James Cze Chung	29	174	–	6	209
Independent Non-executive Directors					
Mr. Lau Wai Piu	300	–	–	–	300
Mr. Tsui Hing Chuen, William	300	–	–	–	300
Mr. Lee Kee Wai, Frank	300	–	–	–	300
	1,329	8,574	–	78	9,981

Note: Mr. Wei Chi Kuen, Kenny was appointed as an Independent Non-executive Directors on 24 November 2023.

Mr. Lo is also the Chief Executive of the Company and his emoluments disclosed above include those for the services rendered by him as the Chief Executive.

b. DIRECTORS' RETIREMENT BENEFITS

None of the directors received or will receive any retirement benefits during the year (2023: Nil).

c. DIRECTORS' TERMINATION BENEFITS

None of the directors received or will receive any termination benefits during the year (2023: Nil).

d. CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 30 June 2024, the Company did not pay consideration to any third parties for making available directors' services (2023: Nil).

12 BENEFITS AND INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

e. INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS, CONTROLLED BODIES CORPORATE BY AND CONNECTED ENTITIES WITH SUCH DIRECTORS

Details of loan from a director are set out in Note 34(b). Save for this, no loans, quasi-loans and other dealing arrangements were made available in favour of the directors, or controlled body corporate by and connected entities with such directors (2023: Nil).

f. DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from the related party transactions in Note 34, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

g. FIVE HIGHEST PAID INDIVIDUALS

Two (2023: Two) of the directors were included in the five highest paid individuals for the year ended 30 June 2024. The emoluments payable to the remaining three (2023: three) individuals during the year were as follows:

	2024 HK$'000	2023 HK$'000
Salaries and allowances	**7,032**	7,047
Pension costs – defined contribution plans	**162**	160
	7,194	7,207

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument bands		
Nil to HK$1,000,000	**1**	1
HK$2,500,001 to HK$3,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**2**	1
	3	3

Notes to the Consolidated Financial Statements (Continued)

13 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the consolidated statement of profit or loss represents:

	2024 HK$'000	2023 HK$'000
Current income tax		
– Hong Kong profits tax	**513**	178
– PRC corporate income tax	**6,422**	5,446
Deferred income tax		
– Origination of temporary differences (Note 25)	**(450)**	(78)
Overprovision in prior year	**(16)**	(801)
Total income tax expense	**6,469**	4,745

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the Hong Kong income taxation rate, as follows:

	2024 HK$'000	2023 HK$'000
(Loss)/profit before income tax	**(37,342)**	5,134
Calculated at a taxation rate of 16.5% (2023: 16.5%)	**(6,161)**	847
Effect of different taxation rates in other countries	**(587)**	(528)
Income not subject to tax	**(680)**	(795)
Expenses not deductible for tax purposes	**10,257**	2,014
Tax losses not recognised	**3,656**	4,008
Overprovision in prior year	**(16)**	(801)
Income tax expense	**6,469**	4,745

13 INCOME TAX EXPENSE (Continued)

ACCOUNTING POLICY OF CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

b. Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

14 LOSS PER SHARE

a. BASIC

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to owners of the Company (HK$'000)	**(56,467)**	(10,029)
Weighted average number of ordinary shares in issue (in thousands shares)	**3,924,190**	3,924,190
Basic loss per share attributable to the ordinary equity holders of the Company (HK cents)	**(1.44)**	(0.26)

b. DILUTED

The calculation of the diluted loss per share for the years ended 30 June 2024 and 2023 is based on the loss for the year attributable to equity holders of the Company, adjusted to assume exercise of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share option. The weighted average number of ordinary shares used in the calculation is the weighted average number of the ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of share option.

During the years ended 30 June 2024 and 2023, the share options granted by the Company were not assumed to be exercised as they would have anti-dilutive impact to the basic loss per share.

15 DIVIDEND

The directors did not recommend the payment of a final dividend for the year ended 30 June 2024 (2023: Nil).

16 PROPERTY, PLANT AND EQUIPMENT

	Building HK$'000	Leasehold improvements HK$'000	Computer equipment HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Computer software HK$'000	Total HK$'000
Cost							
As at 30 June 2022	5,050	776	814	4,294	21,042	–	31,976
Additions	–	–	67	78	790	–	935
Disposal	–	–	–	–	(37)	–	(37)
Written off	–	–	–	(111)	–	–	(111)
Exchange adjustments	–	(10)	(15)	(92)	(1,426)	–	(1,543)
As at 30 June 2023	5,050	766	866	4,169	20,369	–	31,220
Additions	**–**	**–**	**16**	**129**	**59**	**361**	**565**
Disposal	**–**	**–**	**(29)**	**(30)**	**(188)**	**–**	**(247)**
Written off	**–**	**(37)**	**(97)**	**(1,296)**	**(202)**	**–**	**(1,632)**
As at 30 June 2024	**5,050**	**729**	**756**	**2,972**	**20,038**	**361**	**29,906**
Accumulated depreciation							
As at 30 June 2022	1,251	554	559	2,765	2,456	–	7,585
Charge for the year	162	151	135	372	4,839	–	5,659
Disposal	–	–	–	–	(2)	–	(2)
Written off	–	–	–	(111)	–	–	(111)
Exchange adjustments	–	(5)	(6)	(20)	(321)	–	(352)
As at 30 June 2023	1,413	700	688	3,006	6,972	–	12,779
Charge for the year	**162**	**47**	**99**	**294**	**4,340**	**19**	**4,961**
Disposal	**–**	**–**	**(14)**	**(14)**	**(91)**	**–**	**(119)**
Written off	**–**	**(38)**	**(98)**	**(1,294)**	**(90)**	**–**	**(1,520)**
As at 30 June 2024	**1,575**	**709**	**675**	**1,992**	**11,131**	**19**	**16,101**
Net book value							
As at 30 June 2024	**3,475**	**20**	**81**	**980**	**8,907**	**342**	**13,805**
As at 30 June 2023	3,637	66	178	1,163	13,397	–	18,441

Notes to the Consolidated Financial Statements (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

ACCOUNTING POLICY OF PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Building	Over the remaining term of lease or estimated remaining useful life
Computer equipment	20% – 33%
Furniture, fixtures and equipment	20% – 33%
Leasehold improvements	Shorter of the lease term or 20%
Motor vehicles	20% – 25%
Computer software	10%

Historical costs of property, plant and equipment include expenditures that are directly attributable to the acquisition of the assets. 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. All other repairs and maintenance are expensed in the statement of profit or loss during the financial period in which they are incurred.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 36.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other expenses" in the consolidated statement of profit or loss.

If a property, plant and equipment becomes to earn rentals and/or for capital appreciation, it is reclassified as investment property. The property is fair valued at the date of transfer and any revaluation gain or loss, being the difference between fair value and the previous carrying amount, is accounted for as a revaluation surplus or deficit in other comprehensive income.

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a. BALANCES RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2024 HK$'000	2023 HK$'000
Right-of-use assets		
Office premises	**2,254**	3,341
Lease liabilities		
Current portion	**1,476**	1,907
Non-current portion	**434**	1,299
	1,910	3,206

Additions to the right-of-use assets during the year ended 30 June 2024 were approximately HK$1,301,000 (2023: HK$3,685,000).

b. AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS:

	2024 HK$'000	2023 HK$'000
Depreciation charge of right-of-use assets	**1,952**	1,772
Interest expense on lease liabilities (included in finance costs) (Note 9)	**133**	95
Expenses relating to short-term leases (Note 10)	**879**	1,036

The total cash outflow for leases during the year ended 30 June 2024 was approximately HK$3,338,000 (2023: HK$3,109,000).

c. THE GROUP'S LEASING ACTIVITIES AND HOW THESE ARE ACCOUNTED FOR

The Group leases five office premises. Rental contracts are typically made for fixed periods of 1.5 to 2 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

18 INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
At beginning of the year	**283,450**	282,789
Fair value (losses)/gains on revaluation of investment properties, net	**(44,112)**	3,784
Currency translation differences	**–**	(3,123)
At end of the year	**239,338**	283,450

Note:

AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Rental income	**5,136**	6,077
Direct operating expenses from investment properties that generate rental income	**(1,147)**	(1,096)
Fair value (losses)/gains on investment properties	**(44,112)**	3,784

As at 30 June 2024 and 2023, the Group had no unprovided contractual obligations for future repairs and maintenance.

FAIR VALUE HIERARCHY

Under HKFRS 13 "Fair Value Measurement", the fair value measurement should be illustrated based on the three-level fair value hierarchy and the classification is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

- Level 2 valuations: 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; and

- Level 3 valuations: fair value measured using significant unobservable inputs.

18 INVESTMENT PROPERTIES (Continued)

FAIR VALUE HIERARCHY (Continued)

Fair value hierarchy for recurring fair value measurements:

	Significant unobservable inputs (Level 3) HK$'000
Investment properties	
– Residential property – Beijing	**28,728**
– Office unit – Beijing	**8,100**
– Office units – Hong Kong	**185,900**
– Industrial properties – Hong Kong	**8,900**
– Carparks – Hong Kong	**7,710**
As at 30 June 2024	**239,338**
Investment properties	
– Residential property – Beijing	28,728
– Office unit – Beijing	9,612
– Office units – Hong Kong	226,600
– Industrial properties – Hong Kong	10,000
– Carparks – Hong Kong	8,510
As at 30 June 2023	283,450

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

VALUATION PROCESSES OF THE GROUP

The Group's investment properties were valued at 30 June 2024 by an independent professionally qualified valuer, Eidea Professional Services Company Limited, who holds a recognised relevant professional qualification and has relevant experience in the locations and segments of the investment properties valued. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group's finance department reviews the valuations performed by Eidea Professional Services Company Limited for financial reporting purpose. These valuation results are then reported to the Group's management for discussions and review in relation to the valuation processes and the reasonableness of valuation results.

18 INVESTMENT PROPERTIES (Continued)

VALUATION TECHNIQUES

Fair value measurements using significant unobservable inputs

Fair values of the investment properties of the Group were supported by valuations performed by an independent external valuer and are generally derived using the direct comparison method under Level 3 approach (2023: same). Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The valuations of residential property, office units, industrial properties and carparks were dependent on certain key assumptions that required significant management judgement, including fair market price and age.

The ranges of unobservable input are similar between the residential property, office units, industrial properties and carparks.

These significant unobservable inputs include:

	Fair value	Valuation technique	Unobservable inputs	Range of significant unobservable inputs (Note)	Relationship of unobservable inputs to fair value
Residential property – Beijing	HK$28,728,000 (2023: HK$28,728,000)	Direct comparison method	Price per square metre (RMB)	RMB78,061 to RMB90,584 (2023: RMB77,217 to RMB89,625)	The higher the market price, the higher the value
Office unit – Beijing	HK$8,100,000 (2023: HK$9,612,000)	Direct comparison method	Price per square metre (RMB)	RMB19,000 to RMB27,916 (2023: RMB23,750 to RMB28,500)	The higher the market price, the higher the value
Industrial property – Fanling, Hong Kong	HK$4,600,000 (2023: HK$5,200,000)	Direct comparison method	Price per square foot (HK$)	HK$4,594 to HK$6,150 (2023: HK$5,980 to HK$6,477)	The higher the market price, the higher the value
Industrial property – Fanling, Hong Kong	HK$4,300,000 (2023: HK$4,800,000)	Direct comparison method	Price per square foot (HK$)	HK$3,847 to HK$5,150 (2023: HK$4,889 to HK$5,350)	The higher the market price, the higher the value
Carpark – Fanling, Hong Kong	HK$790,000 (2023: HK$1,100,000)	Direct comparison method	Price per unit (HK$)	HK$550,000 to HK$1,231,250 (2023: HK$1,035,000 to HK$1,168,750)	The higher the market price, the higher the value
Office unit – Central, Hong Kong	HK$45,200,000 (2023: HK$59,400,000)	Direct comparison method	Price per square foot (HK$)	HK$17,344 to HK$18,386 (2023: HK$22,755 to HK$24,334)	The higher the market price, the higher the value

18 INVESTMENT PROPERTIES (Continued)

VALUATION TECHNIQUES (Continued)

Fair value measurements using significant unobservable inputs (Continued)

	Fair value	Valuation technique	Unobservable inputs	Range of significant unobservable inputs (Note)	Relationship of unobservable inputs to fair value
Carpark – Central, Hong Kong	HK$2,600,000 (2023: HK$2,970,000)	Direct comparison method	Price per unit (HK$)	HK$2,000,000 to HK$2,900,000 (2023: HK$2,400,000 to HK$3,400,000)	The higher the market price, the higher the value
Office unit – Wan Chai, Hong Kong	HK$33,300,000 (2023: HK$40,500,000)	Direct comparison method	Price per square foot (HK$)	HK$8,026 to HK$11,021 (2023: HK$10,547 to HK$13,086)	The higher the market price, the higher the value
Office unit – Wan Chai, Hong Kong	HK$107,400,000 (2023: HK$126,700,000)	Direct comparison method	Price per square foot (HK$)	HK$10,216 to HK$24,367 (2023: HK$13,145 to HK$27,166)	The higher the market price, the higher the value
Two carparks – Wan Chai, Hong Kong	HK$4,320,000 (2023: HK$4,440,000)	Direct comparison method	Price per unit (HK$)	HK $2,046,000 to HK$2,232,500 (2023: HK$2,128,000 to HK$2,398,000)	The higher the market price, the higher the value

Note: Taking into account of locations and other individual factors such as environment, building facilities, levels etc.

The locations and lease terms of the investment properties are analysed as follows:

	2024 HK$'000	2023 HK$'000
In Hong Kong, held on medium-term leases	**202,510**	245,110
In Mainland China, held on medium-term leases	**36,828**	38,340
	239,338	283,450

18 INVESTMENT PROPERTIES (Continued)

VALUATION TECHNIQUES (Continued)

Fair value measurements using significant unobservable inputs (Continued)

Accounting policy of investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of the investment property are included in the consolidated statement of profit or loss for the period in which they arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

19 EXPLORATION AND EVALUATION ASSETS

The Group owns a mineral mining license in western part of Mongolia. Additions to the exploration and evaluation assets represent the geological and geophysical costs, drilling and exploration expenses directly attributable to exploration activities.

Movement of exploration and evaluation assets is as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	**82,995**	75,228
Additions	**13,452**	7,767
At end of the year	**96,447**	82,995

Note: In July 2020, a mining license was issued and granted for an initial period of 30 years to replace the exploration license which was expired during the year ended 30 June 2020. The mining license can be extended for two successive periods of 20 years each.

The management assessed the impairment indicators of the exploration and evaluation assets annually. Based on the result, the directors considered no impairment indicator is noted and no impairment is required.

19 EXPLORATION AND EVALUATION ASSETS (Continued)

ACCOUNTING POLICY OF EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses. Exploration and evaluation assets include the cost of mining and exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as mining structures and mineral properties under property, plant and equipment. These assets are assessed for impairment annually and before reclassification.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Such circumstances, including but not limited to, are as follows:

– the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

– substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

– exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or

– sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Notes to the Consolidated Financial Statements (Continued)

20 PARTICULARS OF SUBSIDIARIES

All of the subsidiaries of the Company were incorporated/established as limited liability companies.

Particulars of the Company's principal subsidiaries as at 30 June 2024 are as follows:

Name	Place of incorporation/ establishment	Particulars of issued share capital/registered capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities and place of operation
Cyber On-Air (Asia) Limited	Hong Kong	100 ordinary shares of total HK$100 and 100,000 non-voting deferred shares of total HK$100,000	–	100%	Provision of network solutions and project services in Hong Kong
Jetco Technologies Limited	Hong Kong	1,250,000 ordinary shares of total HK$1,250,000	–	100%	Property investment in PRC
Lipro Prosper Limited	Hong Kong	2 ordinary shares of total HK$2	–	100%	Property investment in PRC
Greenham Development Limited	Hong Kong	2 ordinary shares of total HK$2	–	100%	Property investment in Hong Kong
Star Bright (HK) Holdings Limited	Hong Kong	1,600 ordinary shares of total HK$1,600	–	100%	Property investment in Hong Kong
Power Able Enterprises Limited	Hong Kong	1 ordinary share of total HK$1	–	100%	Property investment in Hong Kong
Vision Values Group Management Limited	Hong Kong	2 ordinary shares of total HK$2	100%	–	Provision of management services in Hong Kong
Vision Values Security Services Limited	Hong Kong	2 ordinary shares of total HK$3,000,000	100%	–	Provision of property management services in Hong Kong
Mission Wealth Holdings Limited	British Virgin Islands	100 ordinary shares of total HK$780	51%	–	Minerals exploration in Mongolia
FVSP LLC	Mongolia	100,000 ordinary shares of US$1 each	–	51%	Minerals exploration in Mongolia
Vision Values Aviation Services Limited	Hong Kong	10 ordinary shares of total HK$10,000,000	–	90%	Provision of private jet management services in Hong Kong
新疆遠見鴻業物流有限公司("**遠見鴻業**")	PRC	Registered capital of total RMB$37,050,000	–	60%	Provision of logistics services in PRC

MATERIAL NON-CONTROLLING INTERESTS

The total non-controlling interests as at 30 June 2024 is HK$90,241,000 (2023: HK$74,701,000), which represents mainly the Mission Wealth Holdings Limited and its subsidiaries (collectively the "**Mission Wealth Group**"), Vision Values Aviation Services Limited and 遠見鴻業.

20 PARTICULARS OF SUBSIDIARIES (Continued)

SUMMARISED STATEMENT OF FINANCIAL POSITION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

	Mission Wealth Group		Vision Values Aviation Services Limited		遠見鴻業	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Current						
Assets	**888**	275	**34,011**	30,445	**304,453**	203,185
Liabilities	**(199,002)**	(180,849)	**(16,770)**	(17,032)	**(219,715)**	(143,108)
Total current net (liabilities)/assets	**(198,114)**	(180,574)	**17,241**	13,413	**84,738**	60,077
Non-current						
Assets	**99,252**	86,195	**963**	1,995	**11,201**	14,953
Net (liabilities)/assets	**(98,862)**	(94,379)	**18,204**	15,408	**95,939**	75,030

SUMMARISED STATEMENT OF PROFIT OR LOSS ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

	Mission Wealth Group		Vision Values Aviation Services Limited		遠見鴻業	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Revenue	**–**	–	**32,322**	29,120	**481,079**	352,125
(Loss)/profit before income tax	**(4,483)**	(4,765)	**3,318**	1,054	**42,850**	36,306
Income tax expense	**–**	–	**(497)**	(182)	**(6,422)**	(4,641)
Total comprehensive (loss)/income	**(4,483)**	(4,765)	**2,821**	872	**36,428**	31,665
Total comprehensive (loss)/income allocated to non-controlling interests	**(2,197)**	(2,335)	**282**	87	**14,571**	12,666

20 PARTICULARS OF SUBSIDIARIES (Continued)

SUMMARISED STATEMENT OF CASH FLOWS ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

	Mission Wealth Group		Vision Values Aviation Services Limited		遠見鴻業	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Cash flows from operating activities						
Cash (used in)/generated from operations	**(4,198)**	(5,563)	**1,949**	(2,329)	**(24,749)**	(121,332)
Net cash (used in)/generated from operating activities	**(4,198)**	(5,563)	**1,949**	(2,329)	**(24,749)**	(121,332)
Net cash (used in)/generated from investing activities	**(13,459)**	(7,769)	**111**	13	**(328)**	(454)
Net cash generated from/(used in) financing activities	**18,269**	11,763	**(1,055)**	1,097	**31,850**	126,181
Net increase/(decrease) in cash and cash equivalents	**612**	(1,569)	**1,005**	(1,219)	**6,773**	4,395
Cash and cash equivalents at the beginning of year	**201**	1,770	**11,090**	12,309	**6,168**	2,269
Effect on foreign exchange rate changes	**–**	–	**–**	–	**(35)**	(496)
Cash and cash equivalents at end of year	**813**	201	**12,095**	11,090	**12,906**	6,168

The information above is the amount before inter-company eliminations.

21 INVENTORIES

	2024 HK$'000	2023 HK$'000
Work in progress	**571**	373
Finished goods	**159**	650
	730	1,023

The cost of inventories recognised as expense in the consolidated statement of profit or loss amounted to approximately HK$2,538,000 (2023: HK$1,896,000).

22 TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	Note	2024 HK$'000	2023 HK$'000
Trade receivables			
– a related party	34(b)	**5,151**	7,255
– third parties		**44,355**	22,272
Bills receivables		**212,424**	164,965
		261,930	194,492
Contract assets			
– a related party	34(b)	**16,174**	–
– third parties		**22,473**	15,563
		38,647	15,563

During the year ended 30 June 2024, the Group factored the bills receivables with a carrying amount HK$188,934,000 (2023: HK$137,641,000). The maturity date of the bills receivables ranged from 1 to 6 months.

In accordance with the terms of factoring with banks, the bank has the rights of recourse against the Group if the bills receivables turn default.

In the opinion of management, the Group has retained the substantial risk and rewards, and accordingly, the Group continue to recognise the full carrying amounts of bills receivables amounting to HK$188,934,000 (2023: HK$137,641,000) as at 30 June 2024, and factoring loans as disclosed in Note 28.

The carrying amounts of the Group's trade and bills receivables and contract assets approximate their fair values.

The ageing analysis of trade receivables based on invoice date is as follows:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**33,543**	25,492
31 – 60 days	**15,086**	2,250
61 – 90 days	**788**	1,520
Over 90 days	**89**	265
	49,506	29,527

All trade receivables are either repayable within one year or on demand. The Group generally grants credit terms of 30 to 90 days to its customers. The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. Note 4.1(b) provides for details about the calculation of the allowance.

22 TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (Continued)

In the opinion of the directors, the loss allowance for trade and bills receivables and contract assets as at 30 June 2024 and 2023 was insignificant.

The carrying amounts of the Group's trade and bills receivables and contract assets are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
HK$	**9,434**	14,966
RMB	**291,143**	195,089
	300,577	210,055

The maximum exposure to credit risk at the reporting date is the fair value of trade and bills receivables and contract assets mentioned above. The Group does not hold any collateral as security.

23 CASH AND CASH EQUIVALENTS

	2024 HK$'000	2023 HK$'000
Cash at banks	**41,326**	24,179
Cash on hand	**32**	14
	41,358	24,193

Cash and cash equivalents are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
HK$	**4,517**	3,610
US$	**13,727**	11,855
RMB	**22,698**	8,334
Others	**416**	394
	41,358	24,193

Note: The cash and cash equivalents of certain subsidiaries of the Group as at 30 June 2024 included balances with banks in the Mainland China totalling approximately HK$22,681,000 (2023: HK$8,329,000) which were denominated in RMB and US$. The remittance of these balances outside the Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland Chinese Government.

24 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Prepayments	**1,468**	3,107
Deposits and other receivables	**5,715**	7,004
	7,183	10,111
Less: non-current deposits	**(168)**	(231)
Current portion	**7,015**	9,880

The carrying amount of the Group's prepayments, deposits, and other receivables are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
HK$	**3,980**	5,257
US$	**2,086**	2,353
RMB	**970**	2,391
MNT	**147**	110
	7,183	10,111

The carrying amounts of the Group's deposits and other receivables approximate their fair values.

25 DEFERRED INCOME TAX LIABILITIES

	Accumulated depreciation HK$'000	Fair value gain on investment properties HK$'000	Total HK$'000
As at 1 July 2022	(124)	2,983	2,859
(Credited)/charged to consolidated statement of profit or loss (Note 13)	(164)	86	(78)
As at 30 June 2023	(288)	3,069	2,781
Credited to consolidated statement of profit or loss (Note 13)	**(299)**	**(151)**	**(450)**
As at 30 June 2024	**(587)**	**2,918**	**2,331**

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$27,181,000 (2023: HK$22,233,000) in respect of tax losses amounting to HK$164,735,000 (2023: HK$134,744,000). No tax losses expiring within 5 years (2023: HK$179,000). These tax losses have not been recognised due to uncertainty of their future recoverability.

26 TRADE PAYABLES

	2024 HK$'000	2023 HK$'000
Trade payables		
– third parties	**32,024**	6,284

The ageing analysis of the trade payables based on invoice date is as follows:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**31,660**	5,790
31 – 60 days	**135**	80
61 – 90 days	**–**	–
91 – 180 days	**229**	414
	32,024	6,284

26 TRADE PAYABLES (Continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
HK$	**1,231**	1,119
US$	**4,712**	2,600
RMB	**25,831**	2,082
GBP	**–**	433
Euro	**250**	50
	32,024	6,284

The carrying amounts of the Group's trade payables approximate their fair values.

27 ACCRUED CHARGES AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Deposit received	**11,093**	8,863
Accrued charges and other payables	**37,953**	34,888
	49,046	43,751

The carrying amounts of the Group's accrued charges and other payables are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
HK$	**37,672**	28,771
US$	**9,041**	11,353
RMB	**2,300**	3,500
MNT	**11**	103
Singapore Dollar	**22**	24
	49,046	43,751

The carrying amounts of the Group's accrued charges and other payables approximate their fair values, due to their short-term nature.

28 BORROWINGS

	2024 HK$'000	2023 HK$'000
Unsecured		
– Factoring loan – within 1 year (Note)	**188,934**	137,641

As at 30 June 2024 and 2023, the Group's borrowings are repayable based on the scheduled date are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	**188,934**	137,641

The carrying amounts of the Group's borrowings are denominated in RMB.

The carrying amounts of the borrowings approximate their fair values.

The exposure of the Group's borrowings to interest rate change as at 30 June 2024 and 2023 is disclosed in Note 4.1(a)(ii).

Note: As at 30 June 2024, the Group factored the bills receivables with certain banks amounted to RMB174,939,000 (approximately HK$188,934,000) (2023: RMB127,446,000 (approximately HK$137,641,000)) with terms of recourse and bank interest at rates ranging from 1.3% to 3.0% per annum (2023: ranging from 1.8% to 2.9% per annum) (Note 22).

29 SHARE CAPITAL

	No. of shares	HK$'000
Authorised		
At 1 July 2022, 30 June 2023 and 30 June 2024	20,000,000,000	200,000
Issued and fully paid		
At 1 July 2022, 30 June 2023 and 30 June 2024	3,924,190,467	39,242

The total authorised number of ordinary shares is 20,000 million (2023: 20,000 million) shares with a par value of HK$0.01 per share (2023: HK$0.01 per share).

29 SHARE CAPITAL (Continued)

SHARE OPTION SCHEME

The share option scheme for the Group is valid and effective for a period of 10 years commencing on 23 November 2011 (the "**2011 Option Scheme**"). The 2011 Option Scheme was expired on 22 November 2021. Upon expiration of the 2011 Option Scheme, no further options could be granted under 2011 Option Scheme. However, the outstanding share options granted thereunder would continue to be valid and exercisable in accordance with the provisions of the 2011 Option Scheme. Under the share option scheme adopted by the Company on 29 November 2021 (the "**2021 Option Scheme**"), options were granted to certain directors, employees and consultants of the Company entitling them to subscribe for shares of HK$0.01 each in the capital of the Company. The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time unless separately approved by the shareholders in general meeting.

An option may be exercised in accordance with the terms of the scheme at any time during the period as the Board of Directors at their absolute discretion determine and in any event such period shall not be more than 10 years from the date upon which the offer of the option is made to the grantee. The Directors may, if consider appropriate, determine the minimum period for which an option must be held before it can be exercised.

Upon acceptance of the offer for an option, the grantee shall pay HK$1.00 as consideration for the grant. The subscription price of a share in respect of any option granted shall be determined by the board of Directors at their absolute discretion but shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a share.

Movements in the number of share options outstanding under Share Option Scheme and their related weighted average exercise prices are as follows:

	2024		2023	
	Weighted average exercise price per share HK$	Number of share options	Weighted average exercise price per share HK$	Number of share options
At beginning of the year	**0.220**	**307,000,000**	0.241	332,000,000
Lapsed	**–**	**–**	0.496	(25,000,000)
At end of the year	**0.220**	**307,000,000**	0.220	307,000,000

29 SHARE CAPITAL (Continued)

SHARE OPTION SCHEME (Continued)

Share options outstanding under the Share Option Scheme at the end of the year have the following exercise periods and exercise prices:

Date of grant	Exercise price HK$	Exercise period	Number of shares subject to options 2024	2023
25 March 2020	0.274	25/03/2020 to 24/03/2025	**151,000,000**	151,000,000
11 April 2022	0.169	11/04/2022 to 10/04/2027	**156,000,000**	156,000,000
			307,000,000	307,000,000

The fair values of options granted were determined as follows:

	25 March 2020	11 April 2022
Option value (at grant date)	HK$19,863,050	HK$10,951,600
Fair value per option (at grant date)	HK$0.13	HK$0.07
Significant inputs into the valuation model:		
Exercise price at grant date	HK$0.27	HK$0.17
Share price at grant date	HK$0.27	HK$0.15
Expected volatility	72.73%	63.96%
Risk-free interest rate	0.720%	2.57%
Life of options	5 years	5 years
Expected dividend yield	0%	0%
Valuation model applied	Binomial	Binomial

Note: The share options were granted to the Directors, employees and other eligible persons.

30 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the date of consolidated statement of financial position are as follows:

	Note	2024 HK$'000	2023 HK$'000
Financial assets			
Financial assets at amortised cost			
Trade and bills receivables	22	**261,930**	194,492
Deposits and other receivables		**5,715**	7,004
Cash and cash equivalents	23	**41,358**	24,193
		309,003	225,689
Financial liabilities			
Financial liabilities at amortised cost			
Trade payables	26	**(32,024)**	(6,284)
Other payables		**(35,492)**	(27,366)
Borrowings	28	**(188,934)**	(137,641)
Loan from a director	34(b)	**(136,715)**	(102,695)
Lease liabilities	17	**(1,910)**	(3,206)
		(395,075)	(277,192)

Notes to the Consolidated Financial Statements (Continued)

31 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

a. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO NET CASH USED IN OPERATIONS:

	2024 HK$'000	2023 HK$'000
(Loss)/profit before income tax	**(37,342)**	5,134
Depreciation of property, plant and equipment	**4,961**	5,659
Depreciation of right-of-use assets	**1,952**	1,772
Fair value losses/(gains) on investment properties	**44,112**	(3,784)
Gain on disposals of property, plant and equipment	**(51)**	(2)
Loss on derecognition of right-of-use assets	**165**	–
Write-off of property, plant and equipment	**112**	–
Finance income	**(127)**	(413)
Finance costs	**9,859**	7,291
Changes in working capital		
– trade and bills receivables and contract assets	**(90,522)**	(171,411)
– prepayments, deposits and other receivables	**2,928**	5,456
– inventories	**293**	16
– trade payables	**25,740**	975
– accrued charges and other payables and contract liabilities	**(1,253)**	6,790
Net cash used in operations	**(39,173)**	(142,517)

b. PROCEEDS FROM DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT:

	2024 HK$'000	2023 HK$'000
Net book value of property, plant and equipment (Note 16)	**128**	35
Gain on disposals of property, plant and equipment	**51**	2
Proceeds from disposals of property, plant and equipment	**179**	37

c. NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents (Note 23)	**41,358**	24,193
Borrowings (Note 28)	**(188,934)**	(137,641)
Loan from a director (Note 34(b))	**(136,715)**	(102,695)
Lease liabilities (Note 17)	**(1,910)**	(3,206)
Net debt	**(286,201)**	(219,349)

31 NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

c. NET DEBT RECONCILIATION (Continued)

	Borrowings HK$'000	Loan from a director HK$'000	Lease liabilities HK$'000	Sub-total HK$'000	Cash and cash equivalents HK$'000	Total HK$'000
As at 1 July 2023	**(137,641)**	**(102,695)**	**(3,206)**	**(243,542)**	**24,193**	**(219,349)**
Cash flows, net	**(51,293)**	**(27,400)**	**2,459**	**(76,234)**	**17,201**	**(59,033)**
Non-cash – addition of lease liabilities	**–**	**–**	**(1,301)**	**(1,301)**	**–**	**(1,301)**
Non-cash – derecognition of lease liabilities	**–**	**–**	**271**	**271**	**–**	**271**
Non-cash – interest expense	**–**	**(6,620)**	**(133)**	**(6,753)**	**–**	**(6,753)**
Non-cash – exchange adjustments	**–**	**–**	**–**	**–**	**(36)**	**(36)**
As at 30 June 2024	**(188,934)**	**(136,715)**	**(1,910)**	**(327,559)**	**41,358**	**(286,201)**
As at 1 July 2022	(87,305)	(3,009)	(1,553)	(91,867)	22,893	(68,974)
Cash flows, net	(61,274)	(95,200)	2,073	(154,401)	1,637	(152,764)
Non-cash – addition of lease liabilities	–	–	(3,685)	(3,685)	–	(3,685)
Non-cash – interest expense	–	(4,486)	(95)	(4,581)	–	(4,581)
Non-cash – exchange adjustments	10,938	–	54	10,992	(337)	10,655
As at 30 June 2023	(137,641)	(102,695)	(3,206)	(243,542)	24,193	(219,349)

32 OPERATING LEASE COMMITMENTS – THE GROUP AS LESSOR

During the year ended 30 June 2024, eight out of nine of the investment properties (2023: eight out of nine) are leased to tenants under operating leases with rentals payable monthly/quarterly. The future minimum lease payments receivable on leases of the investment properties are as follows:

	2024 HK$'000	2023 HK$'000
Less than one year	**2,606**	3,303
One to two years	**4,315**	157
Two to three years	**49**	–
Total	**6,970**	3,460

There is no contingent rents receivable from the leasing of investment properties.

Notes to the Consolidated Financial Statements (Continued)

33 CAPITAL COMMITMENTS

The total capital expenditure of exploration activities in Mongolia which was authorised by management of the Group but not contracted for as at 30 June 2023 was HK$13,124,000. Such capital expenditure of exploration activities were contributed by equity holders of the Mission Wealth Group on a pro-rata basis and the commitment of the Company amounts to HK$6,693,000.

The Company did not have any material capital expenditure contracted for at the end of the year but not yet incurred (2023: Nil).

34 RELATED PARTY TRANSACTIONS

The Group is controlled by Moral Glory International Limited ("**Moral Glory**") (incorporated in the British Virgin Islands) whereas the ultimate controlling party of Moral Glory is Mr. Lo. Moral Glory and Mr. Lo collectively owns 31.80% of the Company's shares. The remaining 68.20% of the shares are widely held.

The Directors are of the view that the following entities were related parties that had transactions or balances with the Group during the year.

Name	Relationship with the Group
Mongolia Energy Corporation (Greater China) Limited ("**MEC Greater China**")	A company of which Mr. Lo and Ms. Yvette Ong are the directors
Island Oasis Shipbuilding Limited ("**Island Oasis**")	A company of which Mr. Lo, and Mr. Lo, Rex Cze Kei are the directors and Mr. Lo is the beneficial owner
Mongolia Energy Corporation (HK) Limited ("**MEC HK**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai are the directors
Cambo Management Limited ("**Cambo Management**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung are the directors and Mr. Lo is the beneficial owner
Vision Aviation Services Limited ("**Vision Aviation**")	A company of which a director of a subsidiary of the Group is the director and beneficial owner
Global Prestige Holdings Limited ("**Global Prestige**")	A company of which Mr. Lo, Rex Cze Kei is the directors and beneficial owner
Gainer Development Limited ("**Gainer Development**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung are the directors and Mr. Lo is the beneficial owner
Vision Investments Limited ("**Vision Investments**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung are the directors and Mr. Lo is the beneficial owner
Peak Century Holding Limited ("**Peak Century**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung are the directors and Mr. Lo is the beneficial owner
Jet Air Technology Ltd ("**Jet Air**")	A company of which Mr. Lo, Mr. Lo, Rex Cze Kei, Mr. Lo, Chris Cze Wai and Mr. Lo, James Cze Chung are the directors and Mr. Lo is the beneficial owner
新疆蒙科能源科技有限公司 ("**新疆蒙科能源**")	A company of which Ms. Yvette Ong is the director
新疆黑鐵能源科技有限公司 ("**新疆黑鐵能源**")	A company of which Ms. Zheng Juan is the director
新疆啟睿坤泰商貿有限責任公司 ("**新疆啟睿坤泰**")	A company of which Ms. Zheng Juan is the director

34 RELATED PARTY TRANSACTIONS (Continued)

a. Other than transactions disclosed elsewhere in the financial statements, significant related party transactions, which were carried out in the normal course of the Group's business and at terms negotiated between the Group and the respective parties, were as follows:

	2024 HK$'000	2023 HK$'000
Operating lease rental income from a related company		
– MEC Greater China	**421**	403
Sales to related companies/Director, Mr. Lo, Chris Cze Wai		
– Global Prestige	**9**	8
– Gainer Development	**111**	243
– Vision Investments	**7**	–
– Cambo Management	**9**	7
– Peak Century	**97**	–
– Mr. Lo, Chris Cze Wai	**9**	22
– 新疆蒙科能源	**212,137**	134,232
– Jet Air	**2,182**	–
Storage charges paid to a related company		
– 新疆啟睿坤泰	**–**	93
Operating lease rental expenses to related companies		
– Island Oasis	**–**	152
– Cambo Management	**1,254**	1,535
– 新疆黑鐵能源	**458**	–
Unwinding of interests on lease liability to a related company		
– Cambo Management	**–**	(41)
Reimbursement of sharing of administrative services to MEC HK (Note)	**7,742**	7,358
Interest expense paid/payable to a director	**6,620**	4,486

Note: The administrative service is reimbursed at actual cost incurred.

34 RELATED PARTY TRANSACTIONS (Continued)

b. Year end balances arising from loan from a director and the related party transactions as included in prepayments, deposits and other receivables, lease liabilities, and accrued charges and other payables are as follows:

	2024 HK$'000	2023 HK$'000
Amounts due from related companies (Note (i))		
– Jet Air	**4,026**	–
– Cambo Management	**148**	66
– 新疆蒙科能源	**21,325**	7,255
– 新疆黑鐵能源	**54**	–
Amounts due to related companies (Note (i))		
– MEC Greater China	**(51)**	(51)
– MEC HK	**(30,440)**	(22,697)
– Jet Air	**(2,340)**	(3,900)
Lease liability (Note (ii))	**1,056**	1,848
Loan from a director (Note (iii))	**(136,715)**	(102,695)

Notes:

i. The amounts due from/(to) related companies were unsecured and interest-free, and repayable on demand.

ii. In May 2023, the Group renewed a lease agreement with a related company for 2 years. The Group recognised an addition of a right-of-use asset of HK$1,987,000 during the year ended 30 June 2023.

iii. The amounts are unsecured, interest-bearing at HK$ prime rate per annum (2023: HK$ prime rate per annum) and repayable by 30 June 2026 (2023: 30 June 2025). The undrawn revolving standby facilities as at year end amounted to HK$34,400,000 (2023: HK$41,800,000).

c. Key management compensation of the Group for the year is as follows:

	2024 HK$'000	2023 HK$'000
Salaries and other employee benefits	**10,671**	9,981

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 30 June	
	2024 HK$'000	2023 HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	**59**	74
Investments in subsidiaries	**367,555**	338,951
	367,614	339,025
Current assets		
Prepayments, deposits and other receivables	**2,712**	2,189
Cash and cash equivalents	**1,829**	1,003
	4,541	3,192
Total assets	**372,155**	342,217
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	**39,242**	39,242
Other reserves (Note)	**474,542**	474,542
Accumulated losses (Note)	**(343,206)**	(331,054)
Total equity	**170,578**	182,730
LIABILITY		
Non-current liabilities		
Loan from a director	**136,715**	102,695
	136,715	102,695
Current liabilities		
Amounts due to subsidiaries	**30,795**	30,380
Accrued charges and other payables	**34,067**	26,412
	64,862	56,792
Total liabilities	**201,577**	159,487
Total equity and liabilities	**372,155**	342,217

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: Reserve movement of the Company

	Share Premium HK$'000	Share option reserve HK$'000	Sub-total HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 July 2022	443,727	38,280	482,007	(299,858)	182,149
Loss for the year	–	–	–	(38,661)	(38,661)
Share option lapsed	–	(7,465)	(7,465)	7,465	–
At 30 June 2023	443,727	30,815	474,542	(331,054)	143,488
Loss for the year	**–**	**–**	**–**	**(12,152)**	**(12,152)**
At 30 June 2024	**443,727**	**30,815**	**474,542**	**(343,206)**	**131,336**

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

36.1 PRINCIPLES OF CONSOLIDATION

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the aggregate fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.1 PRINCIPLES OF CONSOLIDATION (Continued)

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

36.2 SEPARATE FINANCIAL STATEMENTS

Investments in subsidiaries are stated at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Loan to subsidiaries as a long term source of addition capital is treated as part of the investment cost.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors who make strategic decisions.

36.4 FOREIGN CURRENCY TRANSLATION

a. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's functional and the Group's presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

c. Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

ii. Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

iii. All resulting exchange differences are recognised in other comprehensive income.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.4 FOREIGN CURRENCY TRANSLATION (Continued)

c. Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

36.5 IMPAIRMENT OF NON-FINANCIAL ASSETS (EXCLUDING EXPLORATION AND EVALUATION ASSETS)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised immediately as an expense for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

36.6 FINANCIAL ASSETS

a. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.6 FINANCIAL ASSETS (Continued)

c. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as financial assets carried at 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other expenses" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

d. Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and bills receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See Note 4.1(b) for further details.

36.7 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

36.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method, except for the cost of the yacht, which is determined using specific identification method. The cost of finished goods and work in progress comprises raw material, direct labour and related overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.9 TRADE, BILLS AND OTHER RECEIVABLES

Trade and bills receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade, bills and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 4.1(b) for further information about the Group's impairment policies.

36.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hands, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

36.11 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

36.12 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers prior to the end of financial year which are unpaid. Trade payables and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

36.13 PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.14 EMPLOYEE BENEFITS

a. Retirement Benefits

For employees in Hong Kong, a mandatory provident fund scheme ("**MPF Scheme**") has been established pursuant to the Hong Kong Mandatory Provident Fund Scheme Ordinance under which the Group's Hong Kong eligible employees are compulsorily required to join the MPF scheme. Employer's mandatory contributions are 100% vested in the employees as soon as they are paid to the MPF scheme.

Contributions made by the Group under the MPF Scheme are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the scheme. The assets of the MPF Scheme are held separately from those of the Group and managed by independent professional fund managers.

The employees of the Group's subsidiaries which operate in Mongolia are required to participate in the social insurance scheme operated by the local government. According to the "Social Insurance Law of Mongolia", these subsidiaries have a duty to withhold 11.5% of employees' salary or similar income from the employees and 14.5% of Relevant Income as employers' contribution. Employers' contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the social insurance scheme.

The subsidiary in the PRC participates in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organised and administered by the relevant governmental authorities for employees in the PRC. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations.

b. Employee Leave Entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

c. Bonus

Provisions for bonus due wholly within twelve months after the end of the reporting period are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

d. Share-based Compensation

The Group operates a share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.14 EMPLOYEE BENEFITS (Continued)

d. Share-based Compensation (Continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

36.15 LEASES

The Group as lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.15 LEASES (Continued)

The Group as lessee (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, such as term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received (if any);
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

36 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

36.15 LEASES (Continued)

The Group as lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expenses over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

36.16 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

36.17 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders for final dividend and Board of Directors for interim dividend.

36.18 BORROWINGS AND BORROWING COSTS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Five-year Financial Summary

The historical figures represent financial information of the Group for the years from 2020 to 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024 HK$'000**
Revenue	64,895	55,120	127,122	400,723	**524,823**
Loss attributable to owners of the Company	(108,328)	(68,934)	(37,546)	(10,029)	**(56,467)**
Basic loss per share (HK cents)	(2.76)	(1.76)	(0.96)	(0.26)	**(1.44)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024 HK$'000**
Non-current assets					
Property, plant and equipment	6,752	6,216	24,391	18,441	**13,805**
Right-of-use assets	1,089	2,408	1,494	3,341	**2,254**
Investment properties	301,070	279,570	282,789	283,450	**239,338**
Exploration and evaluation assets	53,785	69,268	75,228	82,995	**96,447**
Rental deposit	–	192	59	231	**168**
Total non-current assets	362,696	357,654	383,961	388,458	**352,012**
Net current assets/(liabilities)	33,374	10,658	(51,467)	44,517	**72,705**
Total assets less current liabilities	396,070	368,312	332,494	432,975	**424,717**
Equity					
Capital and reserves attributable to owners of the Company					
Share capital	39,242	39,242	39,242	39,242	**39,242**
Other reserves	489,616	493,001	482,716	467,823	**471,168**
Accumulated losses	(164,029)	(232,963)	(251,104)	(255,566)	**(315,414)**
	364,829	299,280	270,854	251,499	**194,996**
Non-controlling interest	28,290	35,662	58,474	74,701	**90,241**
Total equity	393,119	334,942	329,328	326,200	**285,237**
Non-current liabilities					
Deferred income tax liabilities	2,951	3,200	2,859	2,781	**2,331**
Advances from a Director	–	29,124	–	–	**–**
Lease liabilities	–	1,046	307	1,299	**434**
Loan from a director	–	–	–	102,695	**136,715**
	2,951	33,370	3,166	106,775	**139,480**
	396,070	368,312	332,494	432,975	**424,717**

	2020	2021	2022	2023	**2024**
Net asset value per share attributable to owners of the Company (HK$)	0.10	0.09	0.08	0.08	**0.07**
Number of shares issued (in thousand)	3,924,190	3,924,190	3,924,190	3,924,190	**3,924,190**

Schedule of Investment Properties

INVESTMENT PROPERTIES AS AT 30 JUNE 2024

Location	Usage	Term of Lease	Group Interest %
House No. 2b, Beijing Riviera 1 Xiang Jiang North Road Chaoyang District Beijing, PRC	Residential	Medium Term	100
Office Unit 1002, 10th Floor Jinyun Building No. 43 Xizhimen North Avenue Jia Haidian District Beijing, PRC	Commercial	Medium Term	100
Unit 2, Ground Floor, Fanling Industrial Centre 21 On Kui Street, On Lok Tsuen Fanling, New Territories Hong Kong	Commercial	Medium Term	100
Unit 13, 2nd Floor, Fanling Industrial Centre 21 On Kui Street, On Lok Tsuen Fanling, New Territories Hong Kong	Commercial	Medium Term	100
Car Park Space P4, 1st Floor Fanling Industrial Centre 21 On Kui Street, On Lok Tsuen Fanling, New Territories Hong Kong	Commercial	Medium Term	100
13th Floor, Wyndham Place No. 44 Wyndham Street Hong Kong	Commercial	Medium Term	100
Carpark No. C15 3rd Carparking Floor, Wyndham Place No. 44 Wyndham Street Hong Kong	Commercial	Medium Term	100
17th Floor, Henan Building Nos. 90 and 92 Jaffe Road Nos. 15, 17 and 19 Luard Road Hong Kong	Commercial	Medium Term	100
19th Floor, Fortis Bank Tower Nos. 77, 78-79 Gloucester Road Hong Kong	Commercial	Medium Term	100
Carpark Space Nos. 64 and 65 3rd Floor, Fortis Bank Tower Nos. 77, 78-79 Gloucester Road Hong Kong	Commercial	Medium Term	100