SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 171)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board ("**Board**") of directors ("**Directors**") of Silver Grant International Holdings Group Limited ("**Company**" or "**Silver Grant**", together with its subsidiaries, the "**Group**") is pleased to announce the consolidated results of the Group for the year ended 31 December 2024 ("**Year 2024**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Rental income	2	**89,421**	96,958
Direct operating expenses		**(6,628)**	(6,465)
		82,793	90,493
Dividend income from listed securities	2	**–**	2
Other income, gains and losses	3	**45,698**	258,946
Change in fair value of financial assets at fair value through profit or loss		**(88,057)**	(147,287)
Impairment of financial assets, net		**(102,257)**	(489,129)
Administrative expenses		**(105,930)**	(165,030)
Change in fair value of investment properties		**(72,301)**	(63,646)
Finance costs	4	**(439,055)**	(342,422)
Share of losses of:			
– associates		**(10,702)**	(31,141)
– joint ventures		**(112,325)**	(83,071)
Loss before taxation	6	**(802,136)**	(972,285)
Taxation	5	**17,567**	16,009
Loss for the year		**(784,569)**	(956,276)
Loss attributable to:			
– Owners of the Company		**(756,743)**	(947,409)
– Non-controlling interests		**(27,826)**	(8,867)
		(784,569)	(956,276)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(in HK cents)*	7		
– Basic and diluted		**(32.83)**	(41.11)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(784,569)**	(956,276)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations		
– Foreign operation	**(30,916)**	(25,222)
– Associates and joint ventures	**(33,302)**	(24,579)
Total other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(64,218)**	(49,801)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
(Loss)/gain arising on property revaluation	**(2,858)**	7,533
Income tax effect	**–**	(858)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(2,858)**	6,675
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(67,076)**	(43,126)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(851,645)**	(999,402)
Total comprehensive loss attributable to:		
– Owners of the Company	**(796,241)**	(902,605)
– Non-controlling interests	**(55,404)**	(96,797)
	(851,645)	(999,402)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 *HK$'000*	2023 *HK$'000*
NON-CURRENT ASSETS			
Investment properties		**2,016,909**	2,133,714
Property, plant and equipment		**50,622**	54,134
Right-of-use assets		**25,605**	39,460
Interests in associates		**257,634**	274,094
Interests in joint ventures		**1,262,968**	1,402,837
Amount due from an associate		**409,508**	416,542
Amounts due from joint ventures		**202,742**	216,216
Financial assets at fair value through profit or loss		**1,640**	1,640
Total non-current assets		**4,227,628**	4,538,637
CURRENT ASSETS			
Trade receivables	9	**9,486**	6,362
Deposits, prepayments and other receivables		**758,117**	838,086
Amounts due from joint ventures		**1,630**	1,664
Loan receivables		**1,770,209**	1,894,369
Financial assets at fair value through profit or loss		**278,702**	434,677
Restricted bank balances		**8,518**	–
Cash and bank balances		**4,908**	57,333
Total current assets		**2,831,570**	3,232,491
CURRENT LIABILITIES			
Accrued charges, rental deposits and other payables		**701,960**	419,184
Interest-bearing bank and other borrowings		**3,411,554**	3,485,049
Taxation payable		**107,089**	107,114
Lease liabilities		**2,873**	2,187
Total current liabilities		**4,223,476**	4,013,534
NET CURRENT LIABILITIES		**(1,391,906)**	(781,043)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,835,722**	3,757,594

	2024	2023
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**34,166**	66,887
Lease liabilities	**23,183**	43,112
Deferred tax liabilities	**143,584**	161,161
Total non-current liabilities	**200,933**	271,160
Net assets	**2,634,789**	3,486,434
EQUITY		
Equity attributable to owners of the Company		
Share capital	**3,626,781**	3,626,781
Reserves	**(1,303,230)**	(506,989)
	2,323,551	3,119,792
Non-controlling interests	**311,238**	366,642
Total equity	**2,634,789**	3,486,434

NOTES:

1.1 BASIS OF PRESENTATION

The Group recorded a net loss of approximately HK$785 million and HK$956 million respectively for two consecutive years ended 31 December 2024 and 2023. As at 31 December 2024, the Group had net current liabilities of approximately HK$1,392 million. By the end of the reporting period, the Group had cash and bank balances of approximately HK$5 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,412 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$2,215 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$1,037 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings before the end of the reporting period. In June 2024, a court order in the Chinese Mainland has been issued to freeze certain bank balances and other assets of the Group due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK$191 million ("**Overdue Other Borrowing**"). Up to the date of approval of these consolidated financial statements, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. The Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the aforesaid borrowings. The Directors are of the view that the frozen assets do not have material impact on the Group's financial position and operation. In addition, in June 2024, the Company entered into an agreement with an independent third party to assign all the rights, title, benefits and interests of the Company to, in and under the loan agreements in relation to 54 loans (the total outstanding principal amount and interest of which amounted to approximately HK$2,429 million as at 31 December 2023) advanced by the Group, which would allow the Group to substantially recover a large portion of the outstanding amount owed to the Group under such loans within a foreseeable timeframe and in a relatively short period of time upon completion.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of the financial asset investments, including equity investments and non-performing assets portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 12 months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables; (ii) the successful and timely implementation of the plans for the disposal of the financial asset investments; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

1.2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap.622) and will deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies in due course. The Company's auditor has reported on the consolidated financial statements of the Group for both years. For the year ended 31 December 2024 and 2023, the auditor's report was qualified and contained a statement under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap.622); and the auditor's report did not contain a statement under section 406(2) of the Hong Kong Companies Ordinance (Cap. 622). For details, please refer to the section headed "EXTRACT OF INDEPENDENT AUDITOR'S REPORT" in this announcement.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the Hong Kong Companies Ordinance (Cap.622). They have been prepared under the historical cost convention, except for investment properties, leasehold land and buildings under property, plant and equipment, financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

2. REVENUE

An analysis of revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from other sources		
Gross rental income	**89,421**	96,958
Dividend income from listed securities	**–**	2
	89,421	96,960

Operating segment information

Year ended 31 December 2024

	Investments	**Property leasing**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Revenue			
– Rental income	**–**	**89,421**	**89,421**
Segment loss	**(159,671)**	**(12,933)**	**(172,604)**
Other unallocated income, gains and losses			**12,653**
Corporate expenses			**(82,504)**
Finance costs (other than interest on lease liabilities)			**(436,654)**
Share of losses of:			
–associates			**(10,702)**
– joint ventures			**(112,325)**
Loss before taxation			**(802,136)**
Taxation			**17,567**
Loss for the year			**(784,569)**

Year ended 31 December 2023

	Investments *HK$'000*	Property leasing *HK$'000*	Total *HK$'000*
Revenue			
– Rental income	–	96,958	96,958
– Dividend income from listed securities	2	–	2
	2	96,958	96,960
Segment loss	(399,166)	(20,006)	(419,172)
Other unallocated income, gains and losses			28,436
Corporate expenses			(128,675)
Finance costs (other than interest on lease liabilities)			(338,662)
Share of losses of:			
–associates			(31,141)
– joint ventures			(83,071)
Loss before taxation			(972,285)
Taxation			16,009
Loss for the year			(956,276)

Geographical information

Revenue from external customers

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**–**	2
People's Republic of China ("**PRC**")	**89,421**	96,958
	89,421	96,960

The revenue information above is based on the locations of the customers.

Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**2,332**	803
PRC	**3,611,406**	3,903,436
	3,613,738	3,904,239

The non-current assets information above is based on the locations of the assets and excludes financial assets at fair value through profit or loss, amount due from an associate and amounts due from joint ventures.

3. OTHER INCOME, GAINS AND LOSSES

An analysis of other income, gains and losses is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest income on:		
– amount due from a joint venture	**–**	4,787
– bank deposits	**59**	565
– loan receivables	**56,538**	197,907
Net foreign exchange (loss)/gain	**(1,051)**	37
Net gain on disposal of property, plant and equipment	**14**	13
Net loss on disposal of investment properties	**–**	(10,500)
(Loss)/gain on disposal of financial assets at fair value through profit or loss	**(25,283)**	1,360
Gain on disposal of a subsidiary	**–**	36,957
Gain on termination of lease	**3,562**	–
Others	**11,859**	27,820
	45,698	258,946

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank loans	**10,893**	14,897
Interest on other loans	**425,761**	323,765
Interest on lease liabilities	**2,401**	3,760
	439,055	342,422

5. TAXATION

	2024	2023
	HK$'000	*HK$'000*
Current:		
PRC Corporate Income Tax ("**CIT**") – charge for the year	**10**	–
Deferred	**(17,577)**	(16,009)
Total tax credit for the year	**(17,567)**	(16,009)

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries in Hong Kong had no assessable profits or had incurred tax losses during the year ended 31 December 2024 (2023: Nil).

The taxation charge of the PRC CIT for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the Company's subsidiaries in the PRC. Under the Law of the PRC on Corporate Income Tax ("**CIT Law**") and the Implementation Regulation of the CIT Law, the tax rate of the Company's subsidiaries in the PRC was 25% for the year ended 31 December 2024 (2023: 25%).

The withholding tax arising from dividend income received from the Company's subsidiaries in the PRC is calculated at 5%.

6. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	2024	2023
	HK$'000	*HK$'000*
Auditor's remuneration	**4,200**	7,200
Change in fair value of financial assets at fair value through profit or loss	**88,057**	147,287
Depreciation of property, plant and equipment	**4,929**	12,270
Depreciation of right-of-use assets	**3,719**	3,662
Employee benefit expenses including directors' and co-chief executive officers' remuneration:		
Wages and salaries	**51,643**	60,133
Pension scheme contributions (defined contribution scheme)*	**2,198**	2,681
	53,841	62,814
Rental income under operating leases for investment properties, less outgoing of HK$6,628,000 (2023: HK$6,465,000)	**(82,793)**	(90,493)
Impairment of financial assets, net	**102,257**	489,129
Change in fair value of investment properties	**72,301**	63,646

* There were no forfeited contributions that may be used by the Group as the employer to reduce its existing level of contributions.

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	**756,743**	947,409

	Number of shares	
	2024	2023
	in thousand	*in thousand*
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**2,304,850**	2,304,850

No diluted loss per share has been presented as there were no potential dilutive shares outstanding for the year ended 31 December 2024.

No adjustment for dilution has been made to the basic loss per share amounts presented for the year ended 31 December 2023 as the Company's convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

8. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2024 (2023: Nil).

9. TRADE RECEIVABLES

The Group allows a credit period of 30 to 60 days to its trade customers.

The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated on the respective revenue recognition dates:

	2024	2023
	HK$'000	*HK$'000*
Within 1–2 months	**9,486**	6,362

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the Independent Auditor's Report from the auditor of the Company, ZHONGHUI ANDA CPA Limited:

"We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. Except for the matters described in the Basis for Disclaimer of Opinion section and the Other Matter section of our report, in all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to appropriateness of the going concern basis of accounting

We draw attention to note 2.1 to the consolidated financial statements which mentions that the Group recorded a net loss of approximately HK$785 million and HK$956 million respectively for two consecutive years ended 31 December 2024 and 2023. As at 31 December 2024, the Group had net current liabilities of approximately HK$1,392 million. By the end of the reporting period, the Group had cash and bank balances of approximately HK$5 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,412 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$2,215 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings approximately HK$1,037 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings before the end of the reporting period. Furthermore, as described in note 36 to the consolidated financial statements, as at 31 December 2024, the Group was involved in the litigation related to the other borrowing of the Group with a principal amount of approximately HK$191 million resulting in the freezing of several assets and demanding for immediate repayment. The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, details of which are set out in note 2.1 to the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to the following material uncertainties.

(a) The successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables. As of the date of this report, the transaction has not been completed and is still in progress.

(b) The successful and timely implementation of the plans for the disposal of the financial asset investments. As of the date of this report, management was unable to provide us with sufficient information about the details of the plans. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to raise on a timely basis additional funding.

(c) The continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings. As of the date of this report, we were advised by management that such extension agreements or refinancing agreements are still under negotiation and no agreement has been signed. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the continual support from the existing lenders of the Group.

(d) The successful obtaining of new sources of financing as and when needed. As of the date of this report, we were advised by management that such new sources of financing are still at a preliminary stage and no viable financing plans have been submitted to the Board of Directors of the Company. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain the additional funding.

In absence of sufficient appropriate audit evidence of the above, we were unable to ascertain whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

OTHER MATTER

Had we not disclaimed our opinion regarding the matters described in the Basis for Disclaimer of Opinion section above, we would otherwise have qualified our opinion regarding the scope limitations on our audit relating to the matters detailed below.

Loan receivables and loan interest receivables

Included in loan receivables and deposits, prepayments and other receivables on the consolidated statement of financial position as at 31 December 2024 and 2023 were loan receivables from different borrowers with an aggregate carrying amount of approximately HK$1,535 million and HK$1,552 million, net of loss allowance, and related loan interest receivables with an aggregate carrying amount of approximately HK$399 million and HK$349 million, net of loss allowance, respectively. In addition, included in other income, gains and losses and impairment of financial assets, net on the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023 were interest income of approximately HK$55 million and HK$165 million, and impairment loss reversed and provided of approximately HK$9 million and HK$390 million in relation to the abovementioned loan receivables and loan interest receivables, respectively. Furthermore, investing cash flows of interest received of nil and approximately HK$22 million, advance of loan receivables of nil and approximately HK$357 million, and receipt of loan receivables of nil and approximately HK$75 million in relation to the abovementioned loan receivables and loan interest receivables were presented in the consolidated statement of cash flows for the years ended 31 December 2024 and 2023, respectively.

As disclosed in note 19 to the consolidated financial statements, the Company has established a special investigation committee to undertake investigation on matters pertaining to the loan transactions, including but not limited to, the commercial rationale of the loan transactions and the relationship between the Group and the borrowers. On 11 December 2024, the independent forensic investigation firm engaged by the special investigation committee issued the report of the forensic investigation. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the commercial rationale of the loan transactions, the relationships between the Group and the borrowers, and the relationships amongst the borrowers; (ii) whether the carrying amounts of the loan receivables and loan interest receivables were properly stated as at 31 December 2024 and 2023; (iii) whether the impairment loss for these loan receivables and loan interest receivables for the year ended 31 December 2024 and 2023 was properly assessed and recognised based on the reasonable and supportable information in accordance with the applicable accounting standard and, consequently, whether the interest income from these loan receivables was properly recognised during the year ended 31 December 2024 and 2023; and (iv) whether the cash flows in relation to the loan transactions were properly presented in the consolidated statement of cash flows for the year ended 31 December 2024 and 2023.

Any adjustments to the figures as described above might have consequential effects on the financial position of the Group as at 31 December 2024 and 2023, the financial performance and cash flows of the Group for the years ended 31 December 2024 and 2023, and the related disclosures thereof in the consolidated financial statements.

Report on Other Matters under Sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence about the appropriateness of the going concern basis of accounting as described in the Basis for Disclaimer of Opinion section and the loan receivables and loan interest receivables as described in the Other Matter section of our report above:

– we were unable to determine whether adequate accounting records had been kept; and

– we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.”

BUSINESS REVIEW

The Group has recorded a loss attributable to owners of the Company of approximately HK$756,743,000 for Year 2024, as compared with that of approximately HK$947,409,000 for the year ended 31 December 2023 ("**Year 2023**"). Basic loss per share of the Company was 32.83 HK cents for Year 2024 (Year 2023: 41.11 HK cents).

Looking back on 2024, the global economy had experienced a moderate recovery, with a resurgence in the volume of global goods trade. However, the ongoing escalation of geopolitical conflicts and the rise of trade protectionism had introduced various uncertainties, making the path to recovery fraught with challenges. As global inflation generally declined, major central banks commenced a cycle of interest rate cuts. The European Central Bank lowered rates four times during the year under review, resulting in a total reduction of 100 basis points, while the Federal Reserve implemented three more rate cuts, totalling 100 basis points. Concerns regarding trade policy adjustments under the Trump administration had led the markets to anticipate a potential rebound in inflation, which might slow the pace of further rate cuts. In an effort to stimulate the economy, the People's Bank of China had cut rates three times and reduced reserve requirements twice during the year under review, yet the inflation rate, as measured by the year-on-year change in the consumer price index, was only a modest 0.2%. Based on the government's assessment, the economic situation in China was characterised by insufficient domestic demand, transitional pains in the shift from old to new growth drivers, and significant operational difficulties faced by certain enterprises. Nevertheless, China's gross domestic product (GDP) reached RMB134.9 trillion in 2024, surpassing the amount of RMB130 trillion for the first time, and solidifying its position as the second largest economy in the world. In light of the rapidly evolving global landscape, the Chinese government is committed to its "dual carbon" goals by accelerating the development of a new energy system and a modern power grid, striving for initiatives for renewable energy alternatives, and supporting research and development ("**R&D**") of key technologies within the new energy sector and the creation of application scenarios, so as to establish and reinforce its competitive edge.

In alignment with the national strategy, the Group had further clarified its strategic planning in 2024 and decided to expand the scale of its investments in the new energy business, with a focus on the development, investment, and operation of new energy projects involving photovoltaics, energy storage, and charging stations, etc.. The photovoltaic industry in China faced a dark period in 2024 due to severe price competition stemming from overcapacity, leading many enterprises to fail to acquire new orders and therefore suffer significant losses. Fortunately, at the 2024 Photovoltaic Industry Annual Conference held in December 2024, 33 companies, representing approximately 90% of the total photovoltaic manufacturing capacity in China, signed a voluntary production control agreement which aimed at resolving the industry's challenges. Within the Group's new energy business framework, the photovoltaic cell module project company invested by the Company's joint venture, 北京靈駿新能源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*) ("**Beijing Lingjun**"), experienced market downturns in 2024. However, this project company has made

* *English name is translated for identification purpose only*

notable progress in technological R&D, production management and sales management, including the breakthrough in heterojunction cells with copper grate wire it independently developed which met its preset targets in terms of production capacity, yield rate and battery efficiency, further solidifying its core competitiveness. During the year under review, the Group had put an emphasis on distributed photovoltaic power generation projects with respect to its new energy business investments. Two projects with an installed capacity of approximately 1.7 megawatts (MW) in aggregate which have been completed and put into operation, started to generate revenue for the business. By the end of 2024, the Group had over 40 distributed photovoltaic power generation reserve projects, covering more than 500,000 square metres of rooftop area, with a forecasted installed capacity exceeding 70MW. These projects encompassed rooftop resources from schools, hospitals, docks, factories, office buildings, logistics parks and commercial centres, laying a solid foundation for multi-business development.

In terms of the traditional energy segment, in 2024, the Company's joint venture, 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited*) ("**Zhong Hai You Qi**"), had adhered to the principle of maximising shareholder value, focusing on its annual production and operational targets during the year under review. By intensifying its investment in R&D projects, Zhong Hai You Qi endeavoured to optimise its product structure and seek growth opportunities in sales, and put effort in accelerating the transformation of energy conservation, carbon reduction and digitalisation. However, due to multiple factors including fluctuations in international crude oil prices and insufficient downstream demand in the petrochemical industry, Zhong Hai You Qi was unable to achieve profitability in 2024.

Investments

The Group has been rooted in the investment business for decades and has from time to time adjusted its investment strategies in accordance with the general trends in society and the industry. During 2024, the Group has made a good start by fully scaling down its non-performing asset investments and asset management businesses and focusing its internal resources on investments covering a new energy project of "photovoltaics, storage and charging" business. In respect of the Group's existing equity investment projects, the investment management team of the Group regularly reviews the latest progress of each project and pays attention to the market dynamics, so that each project can be exited at an appropriate time.

The Group has made investments in certain enterprises in China which are classified by the Group as financial assets at fair value through profit or loss. As at 31 December 2024, the NT Trust Scheme (as defined below) was the most significant financial asset investment of the Group, the carrying value of which represented approximately 2.0% (31 December 2023: 3.0%) of the total assets of the Group. Further details of the NT Trust Scheme are set out below:

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The Group has invested RMB505,000,000 (equivalent to approximately HK$545,356,000) in aggregate into a trust ("**NT Trust Scheme**") managed by 國民信託有限公司 (National Trust Co., Ltd.*), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 31 December 2024, the carrying value of the NT Trust Scheme as measured at fair value through profit and loss, amounted to approximately HK$144,431,000 (31 December 2023: HK$230,801,000) and accounted for approximately 2.0% (31 December 2023: 3.0%) of the total assets of the Group. Out of the loss of approximately HK$88,057,000 (Year 2023: HK$147,287,000) recorded by the Group in the change in fair value of financial assets at fair value through profit and loss for Year 2024, a loss of approximately HK$82,634,000 (Year 2023: HK$151,936,000) was attributable to the fair value change of the NT Trust Scheme as at 31 December 2024. The Group did not receive any distribution from the NT Trust Scheme during Year 2024 (Year 2023: Nil). Based on the current investment strategy of the Group, its interest in the NT Trust Scheme is held for trading and classified as a current asset in its consolidated statement of financial position.

The objective of the Group in relation to its investments in financial assets is to capture returns from the appreciation of the value of its investments and to receive income therefrom. The Board believes that the performance of the financial asset investments of the Group is dependent on the financial and operating performance of the investee companies and market sentiment, which are affected by factors such as interest rate movements, national policies, and the performance of the major economies. The Group will continue to adopt prudent investment principles, closely monitor the performance of its investment portfolio, and readjust its investment strategies as and when appropriate. In response to the potential market volatility and economic downturn, the Group has accelerated the realisation of its mature investments while reducing the proportion of its medium and long-term investments to improve its liquidity position.

Property Leasing

The rental income from the Group's property leasing business during Year 2024 was approximately HK$89,421,000, representing a decrease of approximately 7.8% as compared with that of approximately HK$96,958,000 during Year 2023. This was mainly due to the fact that the overall rates of the rental market in the area and business district in which the Group's rental property is located have continued to decline during Year 2024, thereby lowering the transacted rental rates of the new and renewed tenants of the Group in Year 2024. During the year under review, while the Group recorded a negative growth in its rental income, its overall occupancy rate remained at a comparably similar level as that for Year 2023. In Year 2024, the Group's revenue from its property leasing segment was derived from East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apartments, shops and offices. In respect of apartment operation, the property management team maintained regular follow-ups and communications with key customer groups, and provided customised services to enhance customer loyalty in order to stabilise the rental income. On the other hand, the Group intended to diversify into short-term rentals in addition to its existing long-

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term tenancies to increase its operating income. In respect of commercial office buildings operation, the Group has conducted in-depth research and analyses of economic conditions, industrial trends, tenants demands and characteristics of regional development to make timely adjustments on operating strategy and service content to align with the market change, secure existing tenants and strive for more premium customers.

PROSPECTS AND OUTLOOK

Presidential elections in 2024 have come to an end, forming a new global political and economic landscape. Looking ahead to 2025, the Group will still face enormous uncertainties and challenges. Although the adverse impact brought by changes in the external environment may be intensified, the economic foundation of China has remained stable, advantageous and resilient with great potential that the supportive conditions and underlying trend of favourable long-term outlook will likely stay unchanged. The economy of China has shifted from rapid growth to high-quality growth at a critical stage of development transformation. Some traditional industries such as real estates are weakening; however, some emerging industries such as digital economy and new energy sectors are thriving. The Group has established a strong foothold in the vast China market and engaged in the green and low-carbon transformation process of China. The Group will accelerate its establishment of a professional team to further its expansion into the new energy business of "photovoltaics, storage and charging" to achieve its predetermined goal, and to develop its investments in the new energy business into its core business and thereby a profit growth point of the Group in a progressive manner, laying a solid foundation for the sustainable development of the Group.

FINANCIAL REVIEW

The loss attributable to the owners of the Company decreased by approximately 20.1% from approximately HK$947,409,000 for Year 2023 to approximately HK$756,743,000 for Year 2024 and the basic loss per share attributable to ordinary equity holders of the Company decreased from 41.11 HK cents for Year 2023 to 32.83 HK cents for Year 2024, mainly due to the combined effect as follows:

(a) the decrease in the Group's other income, gains and losses from approximately HK$258,946,000 for Year 2023 to approximately HK$45,698,000 for Year 2024, mainly due to the combined effect of: (i) the decrease in the aggregate interest income accrued on an amount due from a joint venture of the Company and the Group's loan receivables from approximately HK$202,694,000 for Year 2023 to approximately HK$56,538,000 for Year 2024; (ii) the gain on the disposal of a subsidiary of the Company of approximately HK$36,957,000 during Year 2023, which was absent during Year 2024; and (iii) the gain on disposal of financial assets at fair value through profit and loss of approximately HK$1,360,000 for Year 2023, as compared with a loss of approximately HK$25,283,000 for Year 2024;

(b) the decrease in the fair value loss of the financial assets at fair value through profit of loss of the Group from approximately HK$147,287,000 for Year 2023 to approximately HK$88,057,000 for Year 2024, mainly due to the reduction in the fair value loss of the NT Trust Scheme from approximately HK$151,936,000 for Year 2023 to approximately HK$82,634,000 for Year 2024;

(c) the decrease of the Group's impairment of financial assets, net, from approximately HK$489,129,000 for Year 2023 to approximately HK$102,257,000 for Year 2024, mainly attributable to the decrease in the impairment loss provision in the amount of approximately HK$295,049,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Year 2024;

(d) the decrease in the administrative expenses of the Group from approximately HK$165,030,000 for Year 2023 to approximately HK$105,930,000 for Year 2024, mainly attributable to (i) the cost control implemented by the Group during Year 2024 by cutting down on the Group's general expenses; (ii) the decrease in the Group's consultancy, legal and professional fees from approximately HK$38,253,000 for Year 2023 to approximately HK$20,108,000 for Year 2024, mainly due to the decrease in the consultancy and legal fees incurred by the Group in relation to its distressed asset portfolios in Year 2024; (iii) the streamline of the Group's employee structure which had successfully reduced staff costs from approximately HK$62,814,000 for Year 2023 to approximately HK$53,841,000 for Year 2024; and (iv) a reversal of the provision of financial guarantee of approximately HK$7,858,000 recorded by the Group for Year 2024, as compared with a provision of financial guarantee of approximately HK$4,470,000 recorded for Year 2023;

(e) the increase in the loss from the fair value of the investment properties of the Group from approximately HK$63,646,000 for Year 2023 to approximately HK$72,301,000 for Year 2024, mainly attributable to the decrease in the fair value of the Group's investment property located in Beijing as at 31 December 2024, as compared with that as at 31 December 2023;

(f) the increase in the finance costs of the Group from approximately HK$342,422,000 for Year 2023 to approximately HK$439,055,000 for Year 2024, mainly due to the additional interest and related surcharges on borrowings recorded by the Group during Year 2024; and

(g) the increase in the Company's share of losses of joint ventures from approximately HK$83,071,000 for Year 2023 to approximately HK$112,325,000 for Year 2024, primarily attributable to the increase in the Company's share of the loss of Beijing Lingjun, a joint venture of the Company, from approximately HK$14,133,000 for Year 2023 to approximately HK$32,065,000 for Year 2024, which was mainly caused by the initiative undertaken by Beijing Lingjun to expand its R&D capability in photovoltaic battery technology during Year 2024.

Revenue

Rental income of the Group for Year 2024 amounted to approximately HK$89,421,000 (Year 2023: HK$96,958,000), representing a decrease of approximately 7.8%, which was mainly due to the decrease in the daily unit rental rate of the rental property of the Group in Beijing, East Gate Plaza during Year 2024.

Other income, gains and losses

The Group's other income, gains and losses decreased from approximately HK$258,946,000 for Year 2023 to approximately HK$45,698,000 for Year 2024, mainly due to the combined effect of: (i) the decrease in the aggregate interest income accrued on an amount due from a joint venture of the Company and the Group's loan receivables from approximately HK$202,694,000 for Year 2023 to approximately HK$56,538,000 for Year 2024; (ii) the gain on the disposal of a subsidiary of the Company of approximately HK$36,957,000 during Year 2023, which was absent during Year 2024; and (iii) the gain on disposal of financial assets at fair value through profit and loss of approximately HK$1,360,000 for Year 2023, as compared with a loss of approximately HK$25,283,000 for Year 2024.

Impairment of financial assets, net

The Group's impairment of financial assets, net, decreased from approximately HK$489,129,000 for Year 2023 to approximately HK$102,257,000 for Year 2024, mainly attributable to the decrease in the impairment loss provision in the amount of approximately HK$295,049,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Year 2024.

Change in fair value of investment properties

The loss from the fair value of the investment properties of the Group increased from approximately HK$63,646,000 for Year 2023 to approximately HK$72,301,000 for Year 2024, mainly attributable to the decrease in the fair value of the Group's investment property located in Beijing as at 31 December 2024, as compared with that as at 31 December 2023.

Finance costs

The finance costs of the Group increased from approximately HK$342,422,000 for Year 2023 to approximately HK$439,055,000 for Year 2024, mainly due to the additional interest and related surcharges on borrowings recorded by the Group during Year 2024.

Share of losses of joint ventures

The Company's share of losses of joint ventures increased from approximately HK$83,071,000 for Year 2023 to approximately HK$112,325,000 for Year 2024, primarily attributable to the increase in the Company's share of the loss of Beijing Lingjun, a joint venture of the Company, from approximately HK$14,133,000 for Year 2023 to approximately HK$32,065,000 for Year 2024, mainly due to the initiative undertaken by Beijing Lingjun to expand its R&D capability in photovoltaic battery technology during Year 2024.

Accrued charges, rental deposits and other payables

The Group's accrued charges, rental deposits and other payables increased from approximately HK$419,184,000 as at 31 December 2023 to approximately HK$701,960,000 as at 31 December 2024, mainly attributable to the increase in the amount of interest payable accrued by the Group as at 31 December 2024 as compared with that as at 31 December 2023, as a result of the interest expenses accrued by the Group on the entrusted loans in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,075 million) owed by East Gate (Beijing) Property Management Co., Ltd.* (東環(北京)物業管理有限公司) ("**Beijing East Gate**"), a wholly-owned subsidiary of the Company, which shall be assumed by Guangdong Zhuguang Group Company Limited* (廣東珠光集團有限公司) ("**Guangdong Zhuguang**"), an independent third party, as partial settlement of the consideration for the rights, title, benefits and interests of the Company, in and under the loan agreements entered into between the Company together with six of its wholly-owned subsidiaries as lenders and a total of 54 independent third party borrowers (including but not limited to the loans with total outstanding principal amount and interest of approximately RMB2,201 million (equivalent to approximately HK$2,429 million) as at 31 December 2023 advanced by the Group under such loan agreements and all security created thereunder) accruing thereto from 1 January 2024, pursuant to the loan assignment agreement (as amended and supplemented by the supplemental agreement dated 22 January 2025) entered into between the Company and Guangdong Zhuguang on 27 June 2024.

TREASURY POLICY

The Group adopts a conservative treasury policy under which the Group keeps its investment costs under control and manages the returns of its investments efficiently. The Group has guidelines in place to monitor and control its investment risk exposure and to manage its capital. The Group also strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Board closely reviews the Group's liquidity position to ensure the Group has adequate liquidity to meet its funding requirements at all times.

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Cash Position

	2024	2023
	HK$'000	*HK$'000*
Restricted bank balances	**8,518**	–
Cash and bank balances	**4,908**	57,333
Total	**13,426**	57,333

As at 31 December 2024, the Group's cash and bank balances were denominated in the following currencies:

	2024	2023
HK$	**26.3%**	5.0%
RMB	**73.4%**	94.7%
US$	**0.3%**	0.3%
	100.0%	100.0%

The Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK$ and United Sates dollars ("**US$**"). The conversion of RMB into HK$, US$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against HK$, US$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Group has not adopted any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

Working Capital and Borrowings

As at 31 December 2024, the Group's total borrowings amounted to approximately HK$3,445,720,000 in aggregate. The composition of these borrowings is summarised below:

	2024	2023
	HK$'000	*HK$'000*
Short term borrowings	**3,411,554**	3,485,049
Long term borrowings	**34,166**	66,887
Total borrowings	**3,445,720**	3,551,936
Cash and bank balances	**4,908**	57,333
Net borrowings	**3,440,812**	3,494,603

Interests for all borrowings of the Group for Year 2024 were charged at fixed and floating rates ranging from 3.7% per annum to 27.6% per annum (Year 2023: 3.7% per annum to 27.6% per annum).

As at 31 December 2024, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

	2024	2023
	HK$'000	*HK$'000*
RMB	**3,445,720**	3,551,936

As at 31 December 2024, the long and short term borrowings of the Group which remained outstanding carried at fixed and floating interest rates as follows:

	2024	2023
	HK$'000	*HK$'000*
Fixed interest rates	**1,406,758**	1,456,876
Floating interest rates	**2,038,962**	2,095,060
	3,445,720	3,551,936

As at 31 December 2024, the maturity profile of the long and short term borrowings of the Group was as follows:

	2024	2023
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**142,979**	161,700
In the second year	**–**	33,775
	142,979	195,475
Other loans repayable:		
Within one year or on demand	**3,268,575**	3,323,349
In the second year	**334**	–
In the third to fifth years, inclusive	**33,520**	33,112
Over five years	**312**	–
	3,302,741	3,356,461
	3,445,720	3,551,936

As at 31 December 2024, the gearing ratio (calculated as interest-bearing bank and other borrowings, over equity attributable to owners of the Company) and the current ratio (calculated as current assets over current liabilities) of the Group were 148% (31 December 2023: 114%) and 0.67x (31 December 2023: 0.8x) respectively. These ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage to ensure the Group has the liquidity to meet its financial obligations at all times. The Group will strive to improve its liquidity by expediting the collection and/or disposal of its outstanding loan receivables and the disposal of its financial asset investments (including its equity investments and non-performing assets portfolio).

As at 31 December 2024, the Group had cash and bank balances of approximately HK$5 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,412 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$2,215 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$1,037 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings before the end of the reporting period. In June 2024, a court order in the Chinese Mainland has been issued to freeze certain bank balances and other assets of the Group due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK$191 million ("**Overdue Other Borrowing**"). Up to the date of approval of this announcement, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. The Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the aforesaid borrowings. The Directors are of the view that the frozen assets do not have material impact on the Group's financial position and operation.

In addition, on 27 June 2024, the Company and Guangdong Zhuguang entered into a loan assignment agreement (as amended and supplemented by the supplemental agreement dated 22 January 2025) ("**Loan Assignment Agreement**"), pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhuguang has agreed to purchase from the Company all the rights, title, benefits and interests of the Company to, in and under the loan agreements ("**Loan Agreements**") entered into between the Company together with six of its wholly-owned subsidiaries as lenders and a total of 54 independent third party borrowers (including but not limited to the loans ("**Loans**") with total outstanding principal amount and interest of approximately RMB2,201 million (equivalent to approximately HK$2,429 million) as at 31 December 2023 advanced by the Group under the Loan Agreements and all security created thereunder) accruing thereto from 1 January 2024 ("**Loan Interest**"), whereas the consideration shall be satisfied by Guangdong Zhuguang by (i) entering into a deed of novation to assume the obligations of Beijing East Gate under two entrusted loan agreements ("**Entrusted Loan Agreements**") (including but not limited to the repayment obligation of the underlying entrusted loans ("**Entrusted Loans**") in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,075 million), the release of all existing charges, guarantee and pledge of shares, and the provision of new charge(s), guarantee and/or pledge of shares pursuant to the requests of the entrusting party and the lender, if required) ("**Debt Novation**"); and (ii) assignment of certain car parking spaces located in the Guangdong province of the PRC ("**Target Properties**"), at completion of the transactions ("**Transactions**") contemplated under the Loan Assignment Agreement ("**Completion**"). Completion is conditional upon and subject to, among others, the passing by the shareholders of the Company at an extraordinary general meeting ("**EGM**") convened by the Company of all necessary resolution(s) to approve the Loan Assignment Agreement and the Transactions. At the EGM held on 28 February 2025, the Loan Assignment Agreement and the Transactions have been approved by the shareholders of the Company. The Transactions, if materialised, would provide a good opportunity to the Group to substantially recover a large portion of the outstanding amount owed to the Group under the Loan Agreements within a foreseeable timeframe and in a relatively short period of time, thereby minimising the uncertainty and the credit risks associated with the Loan Interest and the administrative costs to be incurred by the Group for collecting the outstanding Loan Interest, and the Debt Novation would provide a good opportunity for the Group to settle the Entrusted Loans as the rights and liabilities of the Group under the Entrusted Loan Agreements would be discharged.

The transfer of the Target Properties to the Group would allow the Group to enlarge and diversify its investment properties portfolio with high quality assets, as well as to strengthen the income base of the Group and to generate stable cash flows to the Group.

Further details of the Loan Assignment Agreement and the Transactions are set out in the announcements of the Company dated 27 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 31 October 2024, 31 December 2024 and 22 January 2025 and the circular of the Company dated 12 February 2025.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of the financial asset investments, including equity investments and non-performing assets portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by the management, which cover a period of not less than 12 months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 12 months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables; (ii) the successful and timely implementation of the plans for the disposal of the financial asset investments; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

MATERIAL ACQUISITIONS AND DISPOSALS

On 27 June 2024, the Company and Guangdong Zhuguang entered into the Loan Assignment Agreement, pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhuguang has agreed to purchase from the Company the Loan Interest, whereas the consideration shall be satisfied by Guangdong Zhuguang by way of (i) assuming the obligations of Beijing East Gate under the Entrusted Loan Agreements (including but not limited to the repayment obligation of the Entrusted Loans in the outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,075 million), the release of all existing charges, guarantee and pledge of shares, and the provision of new charge(s), guarantee and/or pledge of shares pursuant to the requests of the entrusting party and the lender, if required); and (ii) assignment of the Target Properties, at Completion.

The Transactions have not been completed as of the date of this announcement. Further details of the Transactions are set out in the announcements of the Company dated 27 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 31 October 2024, 31 December 2024 and 22 January 2025 and the circular of the Company dated 12 February 2025.

Save for the above, the Group did not have any material acquisition or disposal during Year 2024.

PLEDGE OF ASSETS

As at 31 December 2024, certain investment properties, and plant and machinery of the Group with aggregate carrying value of approximately HK$1,950,324,000 and approximately HK$2,523,000 respectively (31 December 2023: HK$2,078,366,000 and Nil) were pledged to secure general banking facilities granted to the Group and other payable due to an independent third party.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital expenditures contracted for but not provided for in respect of the purchase of property, plant and equipment of approximately HK$4,204,000 (31 December 2023: Nil). It is expected that the capital expenditures will be settled by cash through internal resources of the Group.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group provided corporate guarantees of approximately HK$1,596,748,000 (31 December 2023: HK$2,839,041,000) in respect of loans granted to a joint venture of the Company.

CAPITAL STRUCTURE

As at 31 December 2024, the shareholders' funds of the Group decreased by approximately HK$796,241,000 to approximately HK$2,323,551,000 (31 December 2023: HK$3,119,792,000), representing a decline of approximately 25.5%. The decrease was mainly due to the loss attributable to the owners of the Company in Year 2024.

HUMAN RESOURCES

The Group had in aggregate 45 employees in Hong Kong and the PRC as at 31 December 2024 (31 December 2023: 55). The Group's overall staff costs amounted to approximately HK$53,841,000 for Year 2024 (Year 2023: HK$62,814,000). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus and retirement benefits. The Directors' remuneration is determined based on their qualifications, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during Year 2024, including training on updates of accounting standards and market updates.

The Group has not experienced any significant problem with its employees or disruption to its operations due to labour discipline nor has it experienced any difficulty in the recruitment and retention of experienced staff. The Group has maintained a good relationship with its employees. Certain senior management and staff have been working for the Group for many years.

FINAL DIVIDEND

The Company aims to maximise the interests of its shareholders and at the same time maintaining a strong and healthy financial position, so as to prepare the Group for investment opportunities that may arise from time to time and its sustainable development in the future. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into account the Group's earnings performance, financial position, investment requirements and future prospects. In addition, the Board will also take into account any restrictive covenants imposed by banks and other funding facilities granted to the Group from time to time and any other factors the Board may deem appropriate and/or relevant.

The Board has resolved not to recommend the payment of a final dividend for Year 2024 (Year 2023: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establishing and maintaining a standard of corporate governance that is consistent with market practices. The Company complied with all the applicable code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") then in force throughout Year 2024, except for the deviations specified below:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be the same individual. During the year under review, the Company did not have a separate chairman and chief executive officer as Mr. Chu Hing Tsung assumed both the roles of the chairman ("**Chairman**") and one of the co-chief executive officers of the Company. The Board believes that vesting both the roles of the chairman and the co-chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions efficiently.

Code provision F.2.2 of the CG Code stipulates that the Chairman should attend the annual general meeting of the Company. Mr. Chu Hing Tsung, the Chairman, did not attend the annual general meeting of the Company held on 26 June 2024 ("**AGM**") due to his prior engagement. The Chairman will endeavor to attend all future annual general meetings of the Company unless unexpected or special circumstances preventing him from doing so.

Pursuant to code provision B2.4(b) of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the date of the AGM, all the independent non-executive Directors, namely, Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming, had served more than nine years on the Board. However, the Company was unable to appoint a new independent non-executive Director to the Board at the AGM as it was still in the course of identifying a suitable candidate then. The Company will publish further announcement(s) when the relevant appointment is made.

COMPLIANCE WITH THE MODEL CODE

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules then in force as its own code of conduct regarding Directors' securities transactions in Year 2024. All Directors have confirmed that, following specific enquiry by the Company, they complied with the required standards set out in the Model Code throughout Year 2024.

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

During Year 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed and accepted the Group's annual results for Year 2024.

EVENTS AFTER REPORTING PERIOD

On 24 February 2025, Beijing East Gate and Mr. Liu Rui ("**Mr. Liu**"), an independent third party, entered into a sale and purchase agreement, pursuant to which Mr. Liu has agreed to purchase, and Beijing East Gate has agreed to sell, a residential property of gross area of 173.49 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC, at the consideration of RMB10,200,000 (equivalent to approximately HK$11,062,000) ("**February Disposal**"). The February Disposal has not been completed as at the date of this announcement. Further details of the February Disposal are set out in the Company's announcement dated 24 February 2025.

On 25 March 2025, Beijing East Gate and Hangzhou Guangyao Zhixin Zhengze Enterprise Management Consulting Partnership (Limited Partnership)* (杭州光曜致新正澤企業管理諮詢合夥企業(有限合夥)) ("**Hangzhou Guangyao**") entered into (1) the first sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 173.01 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB10,438,000 (equivalent to approximately HK$11,302,000) ("**First March Disposal**"); and (2) the second sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 275.48 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC at the consideration of RMB16,611,000 (equivalent to approximately HK$17,986,000) ("**Second March Disposal**", together with the First March Disposal, the "**March Disposals**"). The March Disposals have not been completed as at the date of this announcement. Further details of the March Disposals are set out in the Company's announcement dated 25 March 2025.

Save for the February Disposal and the March Disposals disclosed above and the Transactions disclosed in the paragraph headed "Material Acquisitions and Disposals" in this announcement, the Group had no significant events after the end of the year under review and up to the date of this announcement.

* *English name is translated for identification purpose only*

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for Year 2024 as set out in this announcement have been agreed by the Company's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for Year 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently, no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to those resigned directors for their contribution and service to the Group during their tenure and give my warmest welcome to those newly appointed directors for joining our Group. Moreover, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

On behalf of the Board
Silver Grant International Holdings Group Limited
Chu Hing Tsung
Chairman, Co-Chief Executive Officer
and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Zhu Qing Yi) (Chairman and Co-Chief Executive Officer), Mr. Zhang Wenguang (Co-Chief Executive Officer), Mr. Weng Jian and Ms. Ku Ka Lee as executive Directors; Mr. Chen Zhiwei and Mr. Chen Yongcun as non-executive Directors; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.