GOLDLION HOLDINGS LIMITED
金利來集團有限公司

Stock Code 股份代號：00533

Goldlion®

Annual Report
年報
2024

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Chairman and Chief Executive Officer:

Mr. Tsang Chi Ming, Ricky B.B.S., J.P.

Non-executive Director:

Mr. Ng Ming Wah, Charles

Independent Non-executive Directors:

Mr. Li Ka Fai, David
Ms. Lo Wing Sze B.B.S., J.P.
Mr. Chan Kwong Ming, Johnny

COMPANY SECRETARY

Mr. Kam Yiu Kwok

AUDIT COMMITTEE

Mr. Li Ka Fai, David (Chairman)
Ms. Lo Wing Sze B.B.S., J.P.
Mr. Chan Kwong Ming, Johnny
Mr. Ng Ming Wah, Charles

REMUNERATION COMMITTEE

Ms. Lo Wing Sze B.B.S., J.P. (Chairman)
Mr. Li Ka Fai, David
Mr. Chan Kwong Ming, Johnny
Mr. Ng Ming Wah, Charles
Mr. Tsang Chi Ming, Ricky B.B.S., J.P.

NOMINATION COMMITTEE

Mr. Chan Kwong Ming, Johnny (Chairman)
Mr. Li Ka Fai, David
Ms. Lo Wing Sze B.B.S., J.P.
Mr. Ng Ming Wah, Charles
Mr. Tsang Chi Ming, Ricky B.B.S., J.P.

HONORARY CHAIRMAN

Madam Wong Lei Kuan

SOLICITORS

Woo, Kwan, Lee & Lo

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTRARS

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

REGISTERED OFFICE

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FINANCIAL HIGHLIGHTS

(HK$'000)	2024	2023	Changes
Key Financial Indicators			
Turnover	1,219,113	1,331,456	–8.4%
Gross profit	694,981	758,515	–8.4%
Operating profit	80,501	101,774	–20.9%
Profit for the year	93,106	116,164	–19.8%
Earnings per share – basic and diluted (HK cents)	9.56	11.87	–19.5%
Interim dividend per share (HK cents)	2.0	3.5	–42.9%
Final dividend per share (HK cents)	Nil	4.0	–100.0%
Total dividend per share (HK cents)	2.0	7.5	–73.3%
Gross profit margin	57.0%	57.0%	0% point
Operating margin	6.6%	7.6%	–1.0% point
Net profit margin	7.6%	8.7%	–1.1% points
Cash generated from operations	117,659	116,091	1.4%
Cash and bank balances	1,051,846	1,088,801	–3.4%
Bank loans and overdrafts	Nil	Nil	–
Net current assets	1,813,300	1,818,053	–0.3%
Total assets	5,146,477	5,281,756	–2.6%
Total liabilities	797,194	876,992	–9.1%
Total equity	4,349,283	4,404,764	–1.3%
Return on total assets (note 1)	1.8%	2.2%	–0.4% point
Return on equity (note 2)	2.1%	2.6%	–0.5% point
Current ratio	5.7	5.1	+0.6
Average inventory turnover days (note 3)	170	158	+12
Average trade receivables turnover days (note 4)	29	33	–4
Average trade payables turnover days (note 5)	34	32	+2
Interest coverage ratio (note 6)	–	–	–
Gearing ratio (note 7)	–	–	–

Notes:

1. Profit for the year ÷ Total assets
2. Profit for the year ÷ Total equity
3. (Opening inventory + Closing inventory) ÷ 2 ÷ Cost of sales (excluding direct operating expenses arising from investment properties, cost of properties sold and cost of electricity sold) × Number of days in the year
4. (Opening trade receivables + Closing trade receivables) ÷ 2 ÷ Turnover (excluding sales of properties) × Number of days in the year
5. (Opening trade payables for apparel business + Closing trade payables for apparel business) ÷ 2 ÷ Cost of sales (excluding direct operating expenses arising from investment properties, cost of properties sold and cost of electricity sold) × Number of days in the year
6. Profit before interest and tax ÷ Interest expenses on bank loans
7. (Total lease liabilities – Cash and bank balances) ÷ Total equity

FINANCIAL HIGHLIGHTS

FINANCIAL POSITION

As at 31st December 2024, the Group had cash and bank balances (including restricted cash of HK$1,310,000) of approximately HK$1,051,846,000, which was HK$36,955,000 lower than that at the end of last year. During the year, the Group recorded a net cash inflow from operating activities of HK$98,149,000 and received interest income of HK$27,702,000. However, the Group also paid dividends of HK$58,431,000, increased fixed assets of HK$57,689,000 and paid principal elements of lease payments of HK$21,295,000. Besides, changes in foreign exchange rate during the year resulted in a decrease in cash and bank balances of HK$27,709,000.

As at 31st December 2024, the Group did not have any bank loans or overdrafts. The gearing ratio, defined as the ratio of total lease liabilities less cash and bank balances divided by total equity, was zero.

As at 31st December 2024, the Group's current assets and current liabilities were HK$2,200,418,000 and HK$387,118,000 respectively, with a current ratio at 5.7. Total current liabilities were 9% of the average capital and reserves attributable to owners of the Company of HK$4,375,960,000.

As at 31st December 2024, the Group did not have any material contingent liabilities and had not charged any of the Group's assets. For the "Goldlion Garden" project in Meixian, the total property development expenditure authorized but not contracted for and contracted but not provided for were HK$366,000 and HK$21,000,000 respectively.

As at 31st December 2024, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to HK$3,981,000 (2023: HK$20,364,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) the banks received the corresponding real estate ownership certificates as custody; or (ii) the satisfaction of mortgaged loans by the property buyers. The Board considers that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the guarantees.

The Group conducted the business mainly in the China Mainland market through its PRC subsidiaries. Most of the relevant transactions were denominated in RMB and transactions involving foreign currencies were minimal. Foreign currency exposure did not pose a significant risk for the Group, but we will remain vigilant and closely monitor our exposure to movements in relevant currencies.

DISTRIBUTION NETWORK IN CHINA MAINLAND

NUMBER OF GOLDLION SALES OUTLET

1–10	11–20	21–30	31–40
41–50	51–60	61–70	over 70


CHAIRMAN'S STATEMENT

GROUP RESULTS

Turnover

During the year under review, the Group recorded a turnover of HK$1,219,113,000, representing a decrease of 8% from HK$1,331,456,000 of last year. Income from all of our major business operations was lower than last year. Among them, income from the sales of apparel products and properties decreased by 6% and 47% respectively when compared with last year.

Cost of sales and gross profit

Cost of sales for the year was HK$524,132,000, including cost of inventories sold of the apparel operation of HK$400,495,000, provision for impairment of inventories of HK$48,918,000, cost of properties sold of HK$36,984,000 and direct operating expenses arising from investment properties of HK$36,139,000.

During the year, the cost of inventories sold of our apparel operation was HK$400,495,000, representing a decrease of 10% from HK$443,245,000 of last year. Gross profit margin excluding effect of impairment of inventories was 55.2%, which was higher than the 53.3% of last year. As the inventories stand at higher level during the year, provision for impairment of inventories amounting to HK$48,918,000 was recorded during the year, which is higher than the amount of HK$24,807,000 of last year.

Due to the decrease in income from property sales, cost of properties sold amounting to HK$36,984,000 of the year was 44% lower than last year. Gross profit margin from property sales was 24.9%, lower than 28.5% of last year.

The direct operating expenses arising from investment properties for the year was HK$36,139,000, representing a decrease of approximately 4% when compared with HK$37,684,000 of last year. The decrease was in line with the drop in rental income and building management fees for the year.

Other losses

During the year, the Group recorded fair value losses on investment properties of HK$27,362,000, representing an decrease of 42% when compared with the losses of HK$47,066,000 of last year.

Operating expenses

Selling and marketing costs mainly consist of manpower costs for sales staff, rental expenses of the sales outlets, operating costs for e-commerce sales platforms, advertising and promotion, and relevant marketing expenses and tax fees relating to the Meixian property development project. The Group recorded total selling and marketing costs of HK$431,341,000 for the year, representing a decrease of 4% from HK$447,488,000 of last year. The decrease was in line with the drop in income from respective business operations.

Administrative expenses mainly consist of manpower costs for non-sales staff, depreciation, amortization and impairment charges, and other miscellaneous expenses. The Group recorded administrative expenses of HK$155,777,000 for the year, lower than the amount of HK$162,187,000 of last year by 4%.

Operating profit

Operating profit for the year amounted to HK$80,501,000, representing a decrease of approximately 21% from HK$101,774,000 of last year. The operating profit margin was approximately 7%, which was lower than the margin of 8% of last year.

Profit attributable to owners of the Company

The Group also recorded a net interest income of HK$24,165,000 for the year, lower than last year's HK$25,659,000 by approximately 6%. The decrease was mainly due to a lower average deposit interest rate during the year.

After offsetting the reversal of tax for fair value losses on investment properties amounting to HK$9,181,000 (HK$14,826,000 for last year), the income tax expense for the year was HK$11,560,000 and was in line with the amount of HK$11,269,000 of last year. Effective tax rate excluding fair value losses on investment properties and the related tax effect was 16% and was also in line with last year's 15%.

CHAIRMAN'S STATEMENT

The Group's profit attributable to owners of the Company for the year was HK$93,097,000, decreased by approximately 20% from HK$116,164,000 of last year. Profit for the year would be HK$111,278,000 if the net fair value losses after tax on investment properties of HK$18,181,000 (HK$32,240,000 for last year) were excluded, and was approximately 25% lower than the amount of HK$148,404,000 of last year.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

The economic downturn in China Mainland continued during the year. Due to the impact of sluggish retail market, declining consumption, real estate crisis and unfavorable external factors, the operating environment of the Group's domestic apparel business was extremely tough. The overall turnover for the year amounted to HK$863,541,000, decreased by approximately 6% from the last year, representing a decrease of 3% in RMB.

In China Mainland, the Group has continued to conduct its apparel operation through wholesaling to distributors in various cities and provinces, mainly through self-operated retail shops and factory outlets located mainly in Guangzhou, Shanghai, Beijing, Chongqing, Liaoning, Jilin and Shandong, as well as through e-commerce and custom-ordering.

In respect of the wholesaling business, as certain distributors changed their business model or terminated their business during the year, and some distributors were cautious in placing orders due to lack of confidence in the market prospect, the sales to distributors in RMB decreased by approximately 9%. The sales of this business accounted for approximately 32% of the Group's apparel sales in China Mainland.

During the year, domestic retail market remained sluggish and consumption sentiment slumped. Therefore, even though the number of self-operated sales outlets increased, sales from self-operated retail shops decreased by approximately 1% in RMB compared with last year. On comparable shops basis, sales in major operating regions declined. The sales from this business accounted for approximately 18% of the Group's apparel sales in China Mainland during the year.

The business performance of the Group's factory outlets was also affected by the poor market conditions, the sales from which decreased by approximately 11% in RMB compared with that of the last year. Sales through this channel accounted for approximately 13% of the Group's apparel sales in China Mainland.

At the end of the year, the Group's apparel products were sold through approximately 786 retail outlets in China Mainland, among which 148 were self-operated (including 33 factory outlets and 3 "Goldlion 3388" lifestyle stores). During the year, the Group continued to operate 3 "Goldlion 3388" lifestyle stores in Shanghai and Guangzhou to promote the brand culture of "Goldlion". Operating loss of this operation after various expenses and provisions amounted to HK$24,788,000 for the year.

The e-commerce business of the Group was also affected by the market downturn. Sales in RMB decreased by approximately 6% as compared with last year. During the year, the sales were mainly generated from special products with only a small proportion from non-special products. During the year, the sales accounted for approximately 28% of the Group's apparel sales in China Mainland.

Due to the increase of orders and a lower base of comparison last year, sales of custom-made corporate uniforms in RMB doubled as compared with last year. However, such business accounts for a small proportion of the Group's domestic apparel sales.

During the year under review, the Group continued to grant licenses for distribution of shoes, leather goods, undergarments and casual wear in China Mainland. Licensing fees were charged in accordance with the terms in the relevant licensing agreements during the year. Due to the reduction in individual fees, the Group recorded a licensing income of HK$84,146,000 during the year, representing a decrease of approximately 10% from the last year.

In addition, construction of the Group's "Tsang Hin Chi Exhibition Hall" in Meizhou was completed at the end of the year. The exhibition hall commemorates the entrepreneurial journey and business development of the Group's founder, especially his contributions and dedication to the motherland's development during the progress of Reform and Opening-up, thereby highlighting the corporate culture in emphasizing corporate social responsibility and core brand values in affection for country. The Exhibition Hall was renovated from an abandoned factory building of the Group in Meizhou and total project expenditure, including building reconstruction costs, amounted to approximately RMB44,000,000.

Singapore Market

The Group's Singapore business was also affected by the sluggish external economic environment and cautious consumer sentiment, resulting in lower-than-expected performance. The local apparel business recorded sales amounted to HK$33,866,000 during the year, representing a decrease of 5% as compared with HK$35,674,000 of last year.

Since the opening of two new shops in the second half of last year, the Group currently operates a total of 5 Goldlion shops and 6 counters in Singapore.

Gross profit margin excluding the change of inventories impairment was 54%, which was slightly lower than 55% of last year. As inventory levels remained stable, the provision for impairment of inventories during the year amounted to HK$577,000, which was lower than HK$1,019,000 of last year.

Due to the effect of the provision for new store leases and impairment of decoration amounted to HK$1,115,000, the Group's Singapore business recorded a loss of HK$5,363,000 during the year as compared with the loss of HK$2,754,000 of last year.

Property Investment and Development

The Group's investment property portfolio had no significant changes during the year when compared with the end of last year. The value of such properties after valuation conducted by independent professional valuer amounted to approximately HK$2,604,529,000 at the end of the year, of which property holdings in China Mainland, Hong Kong and Singapore were approximately HK$1,355,156,000, HK$1,193,000,000 and HK$56,373,000 respectively. Due to the decreases in valuation amounts, total value of investment properties in Hong Kong dollar was lower than the amount of HK$2,686,658,000 at the end of last year. The Group's fair value losses on investment properties as based on the same independent valuation amounted to HK$27,362,000, whereas the fair value losses were HK$47,066,000 for last year. The losses during the year were mainly derived from the property holdings in China Mainland, especially the Goldlion Digital Network Centre in Guangzhou.

During the year, the Group's rental income and building management fees amounted to HK$146,003,000 and HK$41,183,000, respectively, the total amount of which represented a decrease of approximately 3% over last year. The decrease was mainly due to the increase in vacant units.

Demand for office space was low in China Mainland due to the slowdown of the domestic economy during the year. In Guangzhou, the leasing of Goldlion Digital Network Centre is yet to be improved. Rental income and building management fees in RMB were approximately 4% lower than that of last year. The overall occupancy rate was approximately 80%, which was lower than the 83% of last year. As the premises in Yuan Village in Guangzhou continued to completely lease out, rental income and building management fees increased by approximately 2% in RMB.

CHAIRMAN'S STATEMENT

In Shenyang, leasing of Goldlion Commercial Building remained stable. Total rental income and building management fees in RMB increased by 7% from last year.

Due to the vacancy of certain units since the second half of last year, the overall rental income and building management fees generated from the Group's Goldlion Holdings Centre in Shatin decreased by approximately 4% during the year as compared with last year, with an occupancy rate of approximately 87%. Besides, the property at No. 3 Yuk Yat Street, To Kwa Wan had been fully leased out, resulting in an increase of approximately 2% in overall income from last year.

The Group's property development project "Goldlion Garden" in Meixian was fully completed during the year. As of the end of the year, there were still 651 high-rise building units and 47 low-rise building units to be sold. Under the stagnant property market with extremely sluggish sales in China Mainland, the Group only recognized income from property sales of HK$49,246,000 and gross profit of HK$12,262,000 during the year.

The Group established a new energy company engaging in photovoltaic business in China Mainland last year. In the first half of the year, the company has completed investment project with approximately HK$8,987,000. However, given the short time span, the Company only recorded electricity sales income of HK$1,128,000 and a slight profit during the year.

PROSPECTS

The Group expects that the domestic market condition will remain difficult to improve in the short term and the operating environment in 2025 is still challenging and prospects remain uncertain.

In respect of apparel business, the Group will continue to improve product quality, strengthen self-operated retailing capabilities and optimize various sales channels including distributors in respect of the apparel business in China Mainland. On the sales fair of 2025 autumn and winter collections held in the end of February 2025, initial response of distributors was still cautious. It is expected that the orders will be delivered to distributors in the second half of 2025. The Group will continue to improve the operation of the apparel business in Singapore and enhance its sales network to ensure a sustainable growth of business.

In respect of property investment business, the Group will continue to improve the leasing of properties by reducing its vacancies, as well as to sell the remaining units of "Goldlion Garden" in Meixian based on the actual market conditions.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my gratitude to our staff for their dedication and continuous support.

Mr. Tsang Chi Ming, Ricky
Chairman and Chief Executive Officer

Hong Kong, 14th March 2025

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

INVESTMENT PROPERTIES

Property	Description	Lot Number	Type	Lease term
Hong Kong				
1. 1st to 6th floors, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories	The property, with a gross floor area of 23,077 sq.m., comprises the 1st, 2nd, 3rd, 4th, 5th and 6th floors of a 8-storey factory/warehouse. The building was completed in 1989.	Shatin Town Lot No. 273	Industrial	The property is held for a term commencing on 26th February 1987 and expiring on 30th June 2047.
2. No. 3 Yuk Yat Street, To Kwa Wan, Kowloon	The property comprises a modified 12-storey building completed in 1971 and completely refurbished in 2019. The property has a total gross floor area of 7,028 sq.m..	Kowloon Inland Lot No. 9676	Industrial/ Office	The property is held for a term of 75 years from 17th November 1969 renewable for a further term of 75 years.
3. Unit A on 5th floor, Unit D on 6th floor, Units A and B on 7th floor, Units A, B, C and D on 14th floor, together with car parking S18 on the ground floor, Ming Wah Industrial Building, 13-33 Wang Lung Street, Tsuen Wan, New Territories	The property comprises units on the 5th, 6th and 7th floor and the 14th floor together with a car parking space on the ground floor of a 24-storey industrial building completed in 1979. The property has a total gross floor area of 3,238 sq.m..	81/1024th shares of and in Tsuen Wan Town Lot No. 134	Industrial	The property is held for a term of 99 years from 1st July 1898 and renewed to 30th June 2047.
4. Unit B on 3rd floor, Acro Industrial Building, 19 Yuk Yat Street, To Kwa Wan, Kowloon	The property comprises a workshop unit on the third floor of a 12-storey plus basement industrial building completed in 1978. The property has a gross floor area of 530 sq.m..	58/1184th shares of and in Kowloon Inland Lot No. 9681	Industrial	The property is held for a term of 75 years from 23rd March 1970 and renewable for a further term of 75 years.

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

INVESTMENT PROPERTIES *(continued)*

Property	Description	Lot Number	Type	Lease term
China Mainland				
5. Units 01 to 03, Units 06 to 07 and Units 10 to 12 on Level 1, Levels 2 to 3, Units 01 to 02 and Units 7 to 12 on Level 4, Level 5, Level 7, Units 02 to 05 and Units 09 to 10 on Level 8, Units 01 to 02 and Units 08 to 12 on Level 9, Unit 01 and Units 03 to 12 on Level 10, Level 11, Unit 01 and Units 03 to 12 on Level 12, Level 13, Units 02 to 12 on Level 14, Level 15, Unit 01 and Units 03 to 12 on Level 16, Units 07 to 12 on Level 17, Units 03 to 12 on Level 18, Levels 19 to 28, the car parking spaces in the basement levels 1 to 3 and the mezzanine level of the building, Goldlion Digital Network Centre, 136 & 138 Ti Yu Dong Road, Tianhe District, Guangzhou, Guangdong Province	The property is a 29-storey plus 4 basements commercial building built on a site of 6,670 sq.m.. The gross floor area of the commercial and office portions is approximately 45,868 sq.m..	–	Commercial/ Office	The land use right is held for a term of 40 years for commercial use and 50 years for office and car parking uses commencing from 27th January 1997.
6. Shenyang Goldlion Commercial Building, 190 Zhong Jie Lu, Shen He District, Shenyang, Liaoning Province	The property is a 7-storey commercial building built on a site of 5,379 sq.m.. The 2 phases were completed in 1991 and 1993 respectively and was completely refurbished in 2002. The property has a gross floor area of 16,367 sq.m..	–	Commercial	The land use right is held for a term of 40 years for commercial use commencing from 23rd April 2008.

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

INVESTMENT PROPERTIES *(continued)*

Property	Description	Lot Number	Type	Lease term
China Mainland *(continued)*				
7. Unit 07 on Level 24, Unit 07 on Level 26 and Unit 07 on Level 28, 577 Tianhe North Road, Units 07 and 08 on Level 25 and Unit 07 on Level 28, 581 Tianhe North Road, Concord New World Garden, Tianhe District, Guangzhou, Guangdong Province	The property comprises 7 domestic units in the multi-storey residential estate built in 2003. The property has a gross floor area of 568 sq.m..	–	Residential	The land use right is held for a term of 70 years from 12th April 1999.
8. Units C11, C12, C18-101, C18-102A, C18-102B, C20-101, D01, D26 and E17 on Level 1, Units C18, C19, C20-101, D27, D30, E25 and E26 on Level 2, and Unit C18 on Level 3, Goldlion Fashion Walk, Jiangnan Binfang Da Dao, Meizhou Shi, Guangdong Province	The property comprises units in a commercial podium built in 2008. The property has a gross floor area of 4,365 sq.m..	140209020490 and 140209020608-1	Commercial	The land use right is held for a term of 40 years for commercial use.
9. Units 05 and 06 on Level 1, Block B3, Yuanda Shopping Plaza, 1333 Qunli Disi Da Dao, Daoli District, Harbin, Heilongjiang Province	The property comprises 2 adjoining units located on Level 1 of Block B3 of a complex built in 2013. The property has a gross floor area of 228 sq.m..	–	Commercial	The land use right is estimated to be expired in around 2050.
10. Unit A-03 on Levels 1 and 2, Zone A-2 Dongcheng Centre, Dongcheng District, Dongguan, Guangdong Province	The property comprises a shop unit located on Level 1 and Level 2 of a complex built in 2006. The property has a gross floor area of 534 sq.m..	–	Commercial	The land use right is held for commercial use up to 31st December 2062.

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

INVESTMENT PROPERTIES *(continued)*

Property	Description	Lot Number	Type	Lease term
China Mainland *(continued)*				
11. Level 1 (part), Levels 2 to 6, Yuan Village Building, 36 & 38 Keyun Road, Tianhe District, Guangzhou, Guangdong Province	The property comprises the 1st (part), 2nd to 6th levels of a 6-storey factory building built in 1998. The property has a gross floor area of 12,422 sq.m..	–	Industrial	The land use right is held for a term of 50 years from 12th January 1998.
12. Nursery school of Goldlion Garden, Sankui Village, Fuda HTZ, Meixian District, Meizhou Shi, Guangdong Province	The property comprises 3-storey building for nursery school. The building has a gross floor area of 2,665 sq.m..	242102020250	Residential/ Nursery	The land use right is held for residential use up to 28th February 2084.
13. Units 06 to 09, Unit 13 and Units 15 to 21 on Level 1 and Unit 10 on Level 3, Commercial portion of Goldlion Garden, Sankui Village, Fuda HTZ, Meixian District, Meizhou Shi, Guangdong Province	The property comprises 12 commercial units in a 3-storey commercial building (including 65 commercial units and 60 office units) built in 2022. The property has a gross floor area of 1,475 sq.m..	242102020251	Commercial/ Office	The land use right is held for commercial use up to 28th February 2054.
14. Unit 03 on Level 10, Glorious City Garden, 852 Dongfeng East Road, Yue Xiu District, Guangzhou, Guangdong Province	The property comprises a residential unit in one of the 32-storey buildings of the estate built in 2001. The property has a gross floor area of 158 sq.m.	–	Residential	The land use right is held for a term of 70 years from 7th July 1998.
Singapore				
15. Part Unit 02 on Level 2 and Units 01 to 03 on Level 4, Goldlion Building, 161 Kampong Ampat	The property comprises 4 units of a 6-storey industrial and warehouse building. The property has a gross floor area of 1,262 sq.m..	Mukim 24 Lot U20470W, U20460A, U20461K, U20462N	Industrial	Freehold

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

PROPERTIES HELD FOR OWN USE

Property	Description	Lot Number	Type	Lease term
Hong Kong				
1. 7th floor and the car parking spaces on the ground floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories	The property comprises the 7th floor and the car parking spaces of a 8-storey factory/warehouse. The building was completed in 1989. The gross floor area of the office portions is approximately 4,277sq.m.	Shatin Town Lot No. 273	Industrial	The property is held for a term commencing on 26th February 1987 and expiring on 30th June 2047.
China Mainland				
2. Unit 08 on Level 26, Unit 08 on Level 28, 577 Tianhe North Road, Unit 07 on Level 26, Unit 07 on Level 27 and Unit 08 on Level 28, 581 Tianhe North Road, Concord New World Garden, Tianhe District, Guangzhou, Guangdong Province	The property comprises 4 domestic units in the multi-storey residential estate built in 2003. The property has a gross floor area of 463 sq.m..	–	Residential	The land use right is held for a term of 70 years from 12th April 1999.
3. Units 101 to 106 on Level 1, Block B, Qiaoxinyuan, Yandu Road, Tianhe District, Guangzhou, Guangdong Province	The property comprises 6 domestic units of a 8-storey residential building built in 1995. The property has a gross floor area of 606 sq.m..	–	Residential	The land use right is held for a term of 70 years from 6th January 2000.
4. Units 04 to 05, Units 08 and 09 on Level 1, Units 03 to 06 on Level 4, Level 6, Unit 01, Units 06 to 07 and Units 11 to 12 on Level 8, Units 03 to 07 on Level 9, Level 29 and Unit W07 in the mezzanine level of basement, Goldlion Digital Network Centre, 136 & 138 Ti Yu Dong Road, Tianhe District, Guangzhou, Province	The property comprises several units of a 29-storey plus 4 basements commercial building. The property has a gross floor area of 7,900 sq.m..	–	Commercial/ Office	The land use right is held for a term of 40 years for commercial use and 50 years for office use commencing from 27th January 1997.

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

PROPERTIES HELD FOR OWN USE *(continued)*

Property	Description	Lot Number	Type	Lease term
China Mainland *(continued)*				
5. Level 1 (part), Yuan Village Building, 36 & 38 Keyun Road, Tianhe District, Guangzhou, Guangdong Province	The property comprises part of the 1st level of a 6-storey factory building built in 1998. The property has a gross floor area of 2,118 sq.m..	–	Industrial	The land use right is held for a term of 50 years from 12th January 1998.
6. Block A, B, C and D, Goldlion Industrial Centre, 8 Jiangnan Binfang Da Dao, Meizhou Shi, Guangdong Province	The property comprises 3 factory buildings (Block A, B and D) and an integrated building (Block C) which were completed in 1995 to 2006 respectively. The property has a gross floor area of 38,721 sq.m..	140209020608	Industrial	The land use right is held for a term up to 26th August 2043.
7. Units D1-601 and 602, Units D2-501 and 601, and car parking spaces D2-103 and 107, Goldlion City Garden, and Unit C20 on Level 2 and Level 3, Goldlion Fashion Walk, Jiangnan Binfang Da Dao, Meizhou Shi, Guangdong Province	The property comprises residential and commercial units built in 2008. The property has a gross floor area of 1,447 sq.m..	140209020490 and 140209020608-1	Residential/ Commercial	The land use right is held for a term of 70 years for residential use and 40 years for commercial use.
8. Recreation Center of Goldlion Garden, Sankui Village, Fuda HTZ, Meixian District, Meizhou Shi, Guangdong Province	The property comprises 1 basement and 1 floor recreation center built in 2022. The property has a gross floor area of 1,717 sq.m..	242102020250	Residential	The land use right is held for residential use up to 28th February 2084.

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

PROPERTIES HELD FOR OWN USE *(continued)*

Property	Description	Lot Number	Type	Lease term
China Mainland *(continued)*				
9. Unit 16 on Level 20, Building B, Far East International Plaza, 317 Xian Xia Road, Changning District, Shanghai	The property comprises an office unit of a 31-storey plus 2 basements commercial building completed in 1999. The property has a gross floor area of 174 sq.m..	–	Office	The land use right is held for a term commencing on 6th March 2002 and expiring on 19th August 2045.
10. Unit 17 on Level 11, Bright China Chang An Building, 7 Jianguomenni Avenue, Dongcheng District, Beijing	The property comprises an office unit of a 17-storey plus 4 basements commercial building completed in 1996. The property has a gross floor area of 266 sq.m..	–	Office	The land use right is held for a term up to 1st December 2043.
11. Unit 5 on Level 43, 28 Mingquan Road, Yuzhong District, Chongqing	The property comprises an office unit of a 58-storey commercial building. The property has a gross floor area of 225 sq.m..	–	Office	The land use right is held for a term up to 20th December 2044.
12. Tsang Hin Chi Exhibition Hall, 12–9 Yueyingtang Meijiang District, Meizhou City, Guangdong Province	The property comprises a parcel of land with a site area approximately 2,588 sq.m..	–	Cultural facilities	The land use right is held to 23rd August 2073.
Singapore				
13. Units 01, part 02 and 03 on Level 2, Goldlion Building, 161 Kampong Ampat	The property comprises 3 units of a 6-storey industrial and warehouse building. The property has a gross floor area of 1,070 sq.m..	Mukim 24 Lot U20469P, U20470W, U20471V	Industrial	Freehold

SCHEDULE OF GROUP'S PROPERTIES

As at 31st December 2024

COMPLETED PROPERTIES AND PROPERTY UNDER DEVELOPMENT

Property	Description	Lot Number	Type	Group Interest
China Mainland				
Goldlion Garden, Sankui Village, Fuda HTZ, Meixian District, Meizhou Shi, Guangdong Province	The project includes two phases and a total of eleven high-rise buildings with 976 residential units, 47 low-rise units, 3-storey commercial building, carparks as well as ancillary facilities are provided. First phase of the project (including 524 residential units in six high-rise buildings) has been completed in September 2022 while second phase is expected to be completed by March 2025	242102020250 and 242102020251	Residential/ Commercial	100%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This environmental, social and governance ("ESG") report provides an annual update on the Group's overall ESG performance and its approaches, commitment, and strategies in respect of environmental protection, social responsibility, and operating governance.

Reporting Scope and Boundary

Unless otherwise stated, this report covers the Group's ESG management and performance of our core activities including our apparel manufacturing and distribution, property investment and development, and office operations in the People's Republic of China (the "PRC"), Hong Kong SAR and Singapore, from 1st January 2024 to 31st December 2024 (the "Reporting Period").

Reporting Standard

Our ESG Report for the financial year of 2024 is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code"), fulfilling the "comply or explain" provisions set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKEX").

Reporting Principle

When preparing the report content, the Group has adhered to the four reporting principles stated in the ESG Reporting Code, namely materiality, quantitative, balance, and consistency.

Materiality:	Stakeholder engagement and materiality assessment were conducted to identify and prioritize material ESG issues in our business operations.
Quantitative:	Quantitative metrics are disclosed in this report to keep track of and evaluate our ESG performance.
Balance:	This report provides an unbiased assessment on the Group's ESG performance by highlighting both our achievements and areas for improvement on ESG management.
Consistency:	Consistent methodologies were adopted for year-on-year comparisons of the Group's ESG performance, unless otherwise specified.

Board Approval

This report was reviewed and approved by the Board of Directors of the Company (the "Board") on 14th March 2025.

Feedback

Our ESG Report is available in English and Chinese and can be accessed on both HKEX's and Goldlion's websites. In the event of any discrepancies between the two versions, the English version shall prevail.

We highly appreciate your feedback, which will help us to improve our overall ESG performance. Please share your feedback on our sustainability management and reporting via the communication channel at contact@goldlion.com.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

The Board assumes full responsibility for the Group's ESG matters. The Board recognizes that ESG performance is crucial to long-term business success and the well-being of our stakeholders. To ensure effective management, we have established a comprehensive governance framework to drive our strategic development and sustainable business growth.

Each year, the material topics are reviewed and evaluated by the Group with the consideration on both micro and macro factors. Critical ESG topics are integrated into the Group's strategies and sustainable development initiatives to address the concerns and expectations of our stakeholders including employees, shareholders, customers, and suppliers, local communities, and the environment. We understand the importance of considering these diverse perspectives and strive to create positive long-term impacts for the development of Community.

The Group's ESG Working Group ("the Working Group") is chaired by the Chief Financial Officer ("CFO") and comprises senior management representatives from various departments such as Finance, Internal Audit, Human Resources, and Production. This diverse Working Group can effectively provide a wide range of expertise and perspectives, enhancing the Group's decision-making process. The Working Group is responsible for holding annual meetings and providing written reports to the board of directors on their decisions or recommendations, as well as offering advice and assistance on ESG matters. The Working Group has sufficient resources to fulfil its responsibilities and seeks advice or assistance from external consultants or experts with board approval.

Further to that, the Working Group is in charge of monitoring the implementation of our ESG initiatives and evaluating the effectiveness of our strategies and policies. We strive to ensure that we are on track to achieve our ESG targets and continually improve our performance. In addition to its core responsibilities, the Working Group keeps abreast of the emerging ESG trends, ESG-related risks and market opportunities. It also remains vigilant in ensuring compliance with ESG-related laws and regulatory requirements, enabling us to maintain the highest standards of transparency and accountability. Furthermore, the Working Group takes an active role in reviewing ESG-related training and ongoing professional development for directors and senior executives. This ensures that our leadership possesses the necessary skills and competencies to oversee strategies designed to respond effectively to climate-related risks and opportunities.

In light of the increasing challenges presented by climate change, the Group has undertaken an assessment of its climate resilience during the Reporting Period to identify improvements areas. Based on the results of the gap analysis, we have developed a comprehensive strategy that outlines a series of progressive measures aimed at addressing the identified gaps. These measures encompass various aspects, including the roles and responsibilities of management, decision-making processes, and the incorporation of climate-related opportunities and risks into our practices and report disclosures. Through the implementation of this roadmap, we aim to enhance our climate-related efforts and ensure that we are effectively adapting to and mitigating the impacts of climate change.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ETHICAL BUSINESS OPERATION

The Group firmly believes that upholding ethical business practices is crucial to our long-term success. We adhere to all applicable laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong) and the Anti-Money Laundering Law of the PRC, relating to bribery, extortion, fraud, and money laundering. Internal policies have also been implemented to foster an ethical work culture and facilitate effective management.

We are fully committed to operating at the highest standards of business ethics and do not tolerate any form of corruption. To fulfill this commitment, our Anti-bribery Policy has provided guidance on handling gifts from business partners. Additionally, as part of our Conflict-of-Interest Policy, we inform our employees and their family members of our expectations to avoid incidents that conflict with the Group's interests.

To ensure a transparent and accountable environment, our Whistleblowing Policy has provided guidance to our employees to express their concerns regarding any form of misconduct or malpractice. This policy requires the Group to conduct formal and thorough investigations of all reported cases and handle the identity of whistleblowers in strict confidentiality without the fear of retaliation. Whistleblowers can report incidents either in person or through written forms and are encouraged to provide as much detail as possible and with evidence where applicable. Reported cases are initially handled by the Group's Internal Audit Function and subsequently reviewed and discussed by the Audit Committee.

Our board members and staff in Hong Kong and PRC receive anti-corruption training on an annual basis to ensure they are aware of the Group's anti-bribery policy, conflict of interest policy, and whistleblowing policy. In July, PRC office has distributed anti-corruption and ethics training materials to all employees prepared by Human Resources Department and Legal Department. By equipping our employees with ethical knowledge, we strive to maintain a culture of transparency and accountability. As part of our efforts to promote anti-corruption practices within our organization, we organized ICAC training webinar at our Hong Kong office in September 2024, aiming to equip our board members and employees with valuable insights to navigate anti-corruption challenges effectively. Besides, our PRC staff also undergo internal online training courses dedicated to anti-corruption laws. These courses are designed to enhance their vigilance towards corruption, conflict of interest and integrity issues.

During the Reporting Period, there were no reported cases of non-compliance regarding bribery, extortion, fraud, and money laundering in our business operations nor any concluded legal cases regarding corrupt practices brought against the Group or our employees.

STAKEHOLDER ENGAGEMENT

The Group recognizes that ESG issues have a profound impact not only on our internal operations but also on a broader spectrum of stakeholders. We care about our stakeholders and prioritize regular communication to gain a comprehensive understanding of their concerns and expectations. We actively seek and gather constructive feedback from both internal and external stakeholders. In formulating our ESG policies and management approach, we take into account their diverse perspectives.

Stakeholder Groups	Key Engagement Channels
Employees and labour union	• Internal meetings • Interviews • Internal circulars • Staff performance appraisal reviews
Shareholders and investors	• Annual general meetings • Financial reports • Corporate website • Press releases
Customers	• Customer service hotline • Daily personal contact • Corporate website • Third-party e-commerce platforms
Media	• Press release • Corporate website
Suppliers and business partners	• Tendering processes • Meetings and conferences • Site visits
Non-Government Organization ("NGO") and Community Groups	• Voluntary services • Donations and Sponsorships
Government and regulatory body	• Public consultations • Conferences, forums and seminars

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Through stakeholder engagement and materiality assessment, the Group formulates appropriate strategies with a stronger focus on ESG aspects that are relevant to its business. During the year, the Group has reviewed the list of material issues that are relevant to its business and stakeholders by keeping abreast of the latest regulatory development, market trends, our internal policies, and development roadmaps. Regarding the higher demand and request on the climate related disclosure, the Group is working towards the new listing rules requirement in Part D of the ESG Reporting Code effective from 1st January 2025 on the enhanced climate-related disclosure and to extend the scope 3 emission inventory in the near future.

The material ESG issues are listed below:

ESG Aspects	Material ESG Issues
Operating practices	• Product quality and safety • Customer service and satisfaction • Advertisement and labelling • Customer data protection and privacy • Ethical business compliance • Intellectual property rights • Anti-corruption • Product responsibility compliance • Supply chain management • Sustainable procurement practice
Employment practices	• Occupational health and safety • Training and development • Equal opportunity, diversity and non-discrimination • Employment relations • Employment compliance • Labor standards
The Environment	• Environmental compliance • Employees' environmental awareness • Water management • Climate change

VALUING OUR CUSTOMER

Product responsibility

We are committed to maintaining the quality of our products and services by strictly adhering to all relevant laws and regulations. Our focus includes compliance with standards related to product quality, advertising, labeling, and customer data privacy. Our Meizhou Factory has achieved ISO 9001:2015 certification for Quality Management Systems in shirt and suit production, ensuring our products meet high safety and customer satisfaction standards.

Following our Product Responsibility Policy, we promptly address complaints, product recalls, and withdrawals. We also actively gather and manage customer feedback to ensure all concerns are addressed appropriately. In accordance with our Advertising Policy, we comply with confidentiality and copyright requirements, and our Customer Data Privacy guidelines restrict access to sensitive customer information to authorized personnel only. We obtain customer consent before using their contact details, and outdated data is permanently removed from our systems to ensure accuracy and privacy.

Our advertising content guidelines mandate compliance with the Advertising Law of the People's Republic of China, emphasizing respect for social morals and legal regulations. Advertisements must avoid sensitive topics that could incite panic or harm public interests, while also respecting cultural diversity and avoiding discrimination. A rigorous review process ensures compliance before publication, with legal channels used for all advertising dissemination. Furthermore, the use of prohibited vocabulary and unlicensed fonts is strictly forbidden, and logo usage must adhere to the company's visual identity standards.

During the Reporting Period, we identified no material non-compliance cases regarding laws and regulations relating to health and safety, advertising, labelling, and privacy matters relating to our products and services.

Building Premium Homes

Our development project "Goldlion Garden" in Meixian is completed in December 2024. To uphold our quality standards, we have collaborated with experienced contractors who specialize in property development for the design and construction of the project. Our commitment to safety and quality is paramount, and we conduct regular supervision of construction activities along with thorough assessments of building materials.

Our internal engineers are on-site to oversee progress and perform acceptance tests. Alongside the government quality monitoring unit, we engage third-party laboratories to test the quality of our materials. To effectively track project progress, we require consistent updates from the contractors, and our internal quality control team, made up of building and engineering experts, conducts spot checks.

If contractors do not meet our rigorous quality standards, we issue written requests for improvement, specifying the necessary changes. Our internal professionals also provide technical support, ensuring that contractors have the required expertise to achieve our high standards. Through these efforts, we remain dedicated to delivering premium homes of exceptional quality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VALUING OUR CUSTOMER *(continued)*

Excelling in Apparel Production and Sales

The majority of our apparel products are manufactured by our suppliers. To ensure high quality, we comply with national and industry standards in our quality management system. We have established comprehensive internal technical standards, where most supplier products undergo random inspections, while specific items like leather goods require 100% inspection. Each inspection point and standard are clearly defined.

For our own manufactured products, we meticulously design and standardize the manufacturing and inspection processes to meet customer satisfaction. For example, each suit jacket must comply with over 50 quality standards, including adherence to the national health and safety regulations regarding chemicals, such as GB 18401, China's National General Safety Technical Code for Textile Products.

We have implemented internal guidelines for the operation of sales outlets, e-commerce platforms, labeling, advertising, and promotions to ensure compliance with legal requirements. All marketing materials must go through an approval process before being published.

To facilitate communication with our customers, we offer various channels, including email, hotline, and social media. E-commerce customers can also reach out through our 24-hour online service center. We conduct regular customer satisfaction surveys and phone interviews to gather feedback on product quality.

For handling customer complaints and return requests, we have established clear procedural standards. Different recall procedures are in place for distributors, wholesalers, retailers, and end customers from our e-commerce platforms and retail outlets. Regardless of the customer type, we aim to address all complaints within 72 hours and ensure they are informed of their return rights. The general process involves our after-sales service team communicating with the customer, the inspection team confirming defects, and the manufacturing team providing a replacement product. Customers can return products that do not meet expectations within 7 days, and those with quality issues within 30 days. Our team inspects returned items to ensure they align with our return policy standards.

During the Reporting Period, we received 2,974 e-commerce operation related complaints, accounting for approximately 0.43% of the total transactions. There were no products sold or shipped that are subject to recalls for safety and health reasons.

VALUING OUR CUSTOMER *(continued)*

Building Trust with Tenants

The health and safety of our tenants is our top priority. We conduct regular safety inspections and hazard assessments by qualified engineers to uphold high health and safety standards. Even after the peak of the COVID-19 pandemic, our Property Management Department has maintained rigorous hygiene and preventive measures to ensure a safe environment for our tenants. This includes thorough cleaning and disinfection of common areas and air conditioning systems, requiring frontline staff to wear masks, providing disinfection supplies, and mandating immediate reporting of any employee illnesses. We also keep tenants informed about relevant health updates.

In addition, we actively engage with our tenants to understand their challenges and support their recovery in a challenging economic climate. We have provided rent reductions and deferred payment options to help ease their financial burdens. Moreover, we assisted mall tenants by organizing promotional activities and offering discounts. Through partnerships with tenants, we introduced consumer discount cards and parking benefits, effectively attracting a larger customer base. We also encourage collaboration among tenants by facilitating joint promotions and discounts between businesses, such as banks and restaurants, creating a mutually beneficial atmosphere.

Furthermore, we assist tenants in enhancing their operations. For example, we provide venues for multiple tenants to host flash sales. In Shenyang, we have diversified our tenant mix by introducing new food and beverage brands, enhancing the mall's appeal and attracting more foot traffic, fostering a vibrant atmosphere. These efforts have strengthened mutual trust and improved landlord-tenant relationships.

We highly value tenant feedback for ongoing improvement. Our property management contractor conducts annual satisfaction surveys to gauge tenant experiences and expectations. Tenants can easily communicate their concerns through letters, emails, phone calls, or mobile applications, ensuring timely resolution of complaints by our property management team.

During the Reporting Period, no material complaint was received from tenants.

Upholding Intellectual Property Rights

Intellectual property is vital to our operations. Acknowledging the risks associated with infringement, we have established a robust framework to protect our intellectual property rights and those of our industry colleagues. To clearly communicate our expectations regarding the use of our trademarks and copyrights, we include specific clauses and confidentiality agreements in our contracts. This year, we have enhanced our commitment by conducting internal training on intellectual property legal compliance in September 2024. We have made training videos available on our internal learning platform to improve employees' awareness of compliance and protection, fostering innovation and development within the company.

We actively defend our intellectual properties through measures such as trademark opposition, legal action against infringements, and robust responses to counterfeiting. Additionally, we have included our key trademark categories in the Guangdong Province's priority trademark protection directory, which enhances our market credibility and strengthens our trademark protection efforts to prevent infringement and counterfeiting.

To prevent copyright violations, we routinely conduct compliance audits on our marketing and promotional materials. This allows us to exercise strict control over copyrighted content, ensuring all promotional activities align with applicable laws and regulations. Furthermore, our employees are strictly forbidden from installing unauthorized or pirated software during work processes. By enforcing these policies, we affirm our commitment to intellectual property rights and demonstrate our dedication to ethical and legal business practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VALUING OUR CUSTOMER *(continued)*

Protecting Customer Data Privacy

Protecting the privacy of our customers' data is essential to our business as we rely on this information to provide quality products and services. We comply with data privacy laws and regulations relevant to our operations, including the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong, the PRC Law on the Protection of the Rights and Interests of Consumers, and Singapore's Personal Data Protection Act 2012.

This year, we have implemented several updated practices to further safeguard customer information. We are transitioning from using customer phone numbers as membership IDs to system-generated identifiers, reducing the risk of personal data exposure. Additionally, we adhere to the principle of data minimization, ensuring that we only share necessary member information. For instance, when sharing customer phone numbers, we will delete or obscure the last four digits if they are not essential.

We have also made it a priority for our CRM and IT departments to set account permissions strictly according to operational needs. Access to unnecessary data will not be granted, and all data downloads are logged to maintain accountability.

We maintain stringent internal controls for managing customer data, ensuring it is used solely for its intended purposes. Access to our data systems and confidential customer information is limited to authorized personnel only. Customer data is retained only as long as necessary to fulfill its intended purpose, and we securely dispose of any information that is no longer needed. Outdated data is carefully destroyed to prevent unauthorized use. Moreover, all new employees are required to sign non-disclosure agreements, and any confidential information must be returned upon their departure.

Additionally, we have implemented encryption protocols across all our e-commerce platforms to enhance the security of customer data during online transactions.

By adopting these measures, we aim to uphold strong standards of data privacy and security, demonstrating our commitment to protecting our customers' information and complying with relevant laws and regulations.

MANAGING OUR SUPPLY CHAIN

Overview of Our Supply Chain

We collaborate with a reliable network of specialized suppliers to ensure superior craftsmanship and consistent availability of our products. During the Reporting Period, we worked with 68 suppliers, of which 60 suppliers are from China Mainland and Hong Kong, and 8 suppliers from Southeast Asia.

Engaging Our Suppliers

We are dedicated to creating sustainable procurement opportunities that align with our Procurement Policy. To mitigate environmental impact, we have developed several key policies, including the Sustainable Procurement Policy, Sub-contracting Policy, Green Procurement Policy, and Supplier Code of Conduct for our operations in the PRC. These frameworks establish essential standards and guidelines for procurement, enabling effective cost evaluation and the establishment of continuity plans within our supply chain. We ensure that our suppliers adhere to all applicable regulations related to product quality, safety, business ethics, labor practices, environmental standards, anti-corruption measures, data protection, and intellectual property rights during the selection and engagement phases. Under the Green Procurement Policy, we mandate that our garment and upstream suppliers comply with National Safety Production Standards and other relevant environmental regulations. All suppliers must possess recognized certifications and adhere to eco-friendly procurement practices, which are essential for compliance verification. We regularly assess our procurement practices and communicate potential areas for improvement to all relevant stakeholders, ensuring that all purchasing agreements comply with national laws. In the case of subcontracting, we require appropriate documentation and approvals to maintain supply chain traceability.

Evaluating Our Suppliers

We understand the environmental and social risks linked to our sourcing activities, which can adversely affect both the natural environment and our stakeholders, including employees, customers, and local communities. To mitigate these risks, we monitor and evaluate supplier performance annually to ensure compliance with our Supplier Code of Conduct.

Suppliers are expected to act with integrity and adhere to legal and regulatory standards. In instances of contract violations, commercial bribery, major illegal activities, the provision of counterfeit products, or significant quality issues, we will terminate the contracts. We also utilize various sources, such as bank credit reports, financial assessments, and quality defect reports, to identify any negative records. Our commitment to ethical and compliant practices helps us maintain trustworthy relationships with our suppliers.

Supplier assessments are conducted for all suppliers every year through diverse methods, including site visits, interviews, and evaluation forms. The assessment process is supported by documentation such as safety certificates, product quality reports, environmental compliance certificates, and bank credit evaluations. Any violations of our standards and policies will be addressed seriously and could lead to the permanent termination of partnerships.

MANAGING OUR SUPPLY CHAIN *(continued)*

Promoting Environmentally Preferable Products and Services

Our group-level sustainable procurement policy provides clear guidance for the procurement and merchandising teams to integrate environmental considerations when sourcing high-quality products and services at competitive prices. We encourage the selection of products with low embodied carbon, sourced locally, produced using renewable energy, and designed to be durable and repairable. We also prioritize materials that are highly recyclable, minimize the use of virgin resources, reduce energy and water consumption, and limit or eliminate packaging. Additionally, we advocate for replacing disposable items with reusable or recyclable alternatives.

In support of this initiative, our procurement team has actively engaged with our suppliers to emphasize the importance of adopting environmentally friendly production processes in compliance with PRC environmental regulations. Additionally, all garment suppliers and upstream suppliers need to meet national safety production standards and environmental policies, and they are required to regularly provide updated environmental certification documents for our records and verification.

EMPOWERING OUR EMPLOYEES

Protecting the Rights of Employee

We prioritize the well-being of our employees and are dedicated to promoting inclusivity and equality within our workplace. Our commitment to adhering to all relevant employment laws and regulations in the jurisdictions where we operate includes, but is not limited to, the Employment Ordinance (Cap. 57) in Hong Kong, the Labor Law of the People's Republic of China, and the Employment Act of 1968 in Singapore. Our Employee Handbook outlines policies regarding compensation, recruitment, promotion, working hours, rest breaks, equal opportunities, diversity, anti-discrimination measures, and various employee benefits.

We aim to foster an inclusive work environment and maintain a zero-tolerance policy towards discrimination based on race, gender, disability, religion, sexual orientation, marital status, or pregnancy. Our employees receive fair and competitive compensation packages, complemented by a range of comprehensive fringe benefits, guided by regular market research and a "pay-for-performance" approach. Benefits include apparel sponsorship for key management personnel, discounts on parking, birthday bonuses, festival gifts, and educational subsidies for children.

To recognize and motivate high-performing team members, we offer appealing career advancement opportunities. We introduced an Employee Referral Scheme, where employees who successfully refer candidates for full-time Sales Promotor positions will receive a referral fee. This initiative helps enhance recruitment efficiency and rewards employee contributions.

Our commitment to employee engagement is evident through activities such as the Goldlion Company Dinner, which celebrated long service awards, best growth achievements, and included a lucky draw. Additionally, we distributed welfare items during key festivals and celebrations, such as spring and Dragon Boat Festival benefits. We also celebrated employees' birthdays with gifts and organized a weekly reading hour to promote personal development.

Throughout the reporting period, we engaged in numerous other staff activities, including distributing gift boxes during the Chinese New Year. We also organized weekly reading seminars to promote self-education and self-improvement. Additionally, we provided refreshing drinks and desserts in the summer and organized walking, badminton, and fitness activities for those interested. These initiatives were designed to cultivate a positive work atmosphere and strengthen employee relationships.

EMPOWERING OUR EMPLOYEES *(continued)*

Protecting the Rights of Employee *(continued)*

The Group adheres to local regulations regarding retirement benefits, including the Mandatory Provident Fund Scheme in Hong Kong, the Five Social Insurance and One Housing Fund in Mainland China, and the Central Provident Fund in Singapore. During the reporting period, we contributed HK$40,989,000 to these funds for our employees.

Our recruitment team verifies candidates' identification documents to ensure compliance with age and eligibility requirements. All personal information and credentials of job applicants are securely stored in a controlled-access data system, and data from unsuccessful applicants is retained solely for future recruitment efforts or related purposes.

The Group strictly prohibits all forms of forced and child labor in accordance with applicable laws, including the Employment Ordinance (Cap. 57) in Hong Kong, the Labor Law and Special Protection for Female and Juvenile Workers of the PRC, and the Singapore Employment Act enforced by the Ministry of Manpower ("MOM") and the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"). We recognize the seriousness of forced labor and implement measures to prevent it, ensuring that all our employees work voluntarily while monitoring overtime in accordance with the law. Our child labor policies include strict recruitment procedures that screen for candidates below the legal working age of 18.

During the Reporting Period, there were no non-compliance cases of laws and regulations relating to child or forced labor.

As of 31st December 2024, we employed a total of 1,701 employees with a total of 127 other workers hired by our contractors to perform work across our business operations.

		2024				2023			
Employee Profile	**Unit**	**Goldlion**		**Contractors**		**Goldlion**		**Contractors**	
Composition of employees by gender									
Female	number (%)	1,267	74%	69	54%	1,309	(74%)	76	(35%)
Male	number (%)	434	26%	58	46%	462	(26%)	141	(65%)
Composition of employees by employment type									
Full-time	number (%)	1,661	98%	126	99%	1,740	(98%)	216	(99%)
Part-time	number (%)	40	2%	1	1%	31	(2%)	1	(1%)
Composition of employees by age group									
Age < 30	number (%)	151	9%	2	1%	175	(10%)	11	(5%)
Age 30–50	number (%)	1,221	72%	29	23%	1,248	(70%)	109	(50%)
Age > 50	number (%)	329	19%	96	76%	348	(20%)	97	(45%)
Composition of employees by employment category									
Managerial employees	number (%)	135	8%	23	18%	138	(8%)	34	(16%)
General staff	number (%)	1,566	92%	104	82%	1,633	(92%)	183	(84%)
Composition of employees by geographical region									
PRC (excluding Hong Kong)	number (%)	1,586	93%	104	82%	1,668	(96%)	197	(91%)
Hong Kong SAR	number (%)	34	2%	23	18%	34	(2%)	20	(9%)
Singapore	number (%)	81	5%	–	–	69	(4%)	–	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMPOWERING OUR EMPLOYEES *(continued)*

Protecting the Rights of Employee *(continued)*

Employee Turnover	Unit	2024	2023
Total turnover			
The Group	%	25	21
Employee turnover rate by gender			
Female	%	25	21
Male	%	26	20
Employee turnover rate by age group			
Age < 30	%	53	38
Age 30–50	%	24	19
Age > 50	%	17	16
Employee turnover rate by geographical region			
PRC (excluding Hong Kong)	%	27	21
Hong Kong SAR	%	3	6
Singapore	%	6	9

Occupational Health and Safety

The Group is aware of its responsibilities to maintain a safe and healthy working environment for our employees. We strictly adhere to relevant laws and regulations with respect to occupational health and safety (OHS) including but not limited to the Occupational Safety and Health Ordinance (Cap. 509 of the laws of Hong Kong) and Law of the PRC on Prevention and Control of Occupational Diseases. We have adopted a series of OHS programs to minimize the occurrence of accidents and ensure the safety of the workplace. Our production site in Meizhou has attained the ISO 45001:2018 Occupational health and safety management systems certification to demonstrate effectiveness and efficiency of our OHS management system.

During the year, we enhanced our OHS programs in April for an internal emergency first-aid training session aimed at equipping all employees with essential emergency rescue knowledge. Additionally, multiple fire drills were conducted to improve employees' response capabilities and fire safety awareness. We strive to promote fire safety knowledge, hands-on fire extinguisher training, and personnel evacuation drills to raise awareness and equip employees with the necessary skills to respond effectively to fire emergencies. Different levels of employees receive tailored OHS training content relevant to their roles, ensuring that everyone is adequately prepared for their specific responsibilities.

To ensure safe operations, we have formulated equipment safety procedures to guide our employees in following safety codes when using workplace equipment. Comprehensive safety training covering first aid, fire safety, and production safety laws and regulations is provided to all employees. Other safety training this year included engineering maintenance operation safety, elevator rescue drills, and training for safety officers and administrators. To prevent accidents and injuries, we provide necessary protective equipment and conduct thorough investigations in the event of work-related injuries. Regular occupational safety training ensures compliance with safety regulations and proper use of tools and equipment, minimizing the risk of accidents.

EMPOWERING OUR EMPLOYEES *(continued)*

Occupational Health and Safety *(continued)*

Health promotion is a priority, and we encourage employees to adopt healthy lifestyle habits. Reasonable work schedules are implemented to ensure adequate rest, reducing physical and mental strain. Recognizing our commitment to mental health, the Hong Yip Service Company Limited – Goldlion Holdings Centre has been commended as a Mental Health Friendly Organisation by the Advisory Committee on Mental Health.

Full-time permanent employees receive medical insurance covering outpatient services, hospitalization, and certain surgeries. In the PRC, we offer group commercial insurance and conduct mandatory annual physical examinations to monitor health.

Health and Safety	**Unit**	**2024**	**2023**	**2022**
Lost days due to work injury	Day	291	328	37
Number of work-related fatalities	Person	0	0	0
Rate of work-related fatalities	%	0	0	0

Employees Training and Development

As a responsible employer, we aim to support our employees with different abilities through skills trainings and provide necessary support and resources with diverse career development opportunities. During the year, the Group has conducted various training programs encouraging colleagues to acquire new skills and attain qualifications to support their professional growth.

We tailor our training courses to align with the job levels and roles of our employees. For instance, we developed an orientation program for new hires that covers essential corporate information, occupational health and safety, and career development pathways. Additionally, we launched a management trainee program aimed at attracting and nurturing young talent within the organization.

To enhance the skills of our sales and marketing teams, we conducted workshops focusing on critical areas such as business etiquette, customer communication, customer relationship management, and complaint handling. Recognizing the importance of effective leadership, we offer a range of training programs tailored to leaders at various management levels. We have established procedures for selecting and appointing management personnel, emphasizing the continuous improvement of skills and performance within our leadership team.

For mid-to-senior level executives, we organized training programs centered on retail management techniques, covering strategic management, analysis techniques across the business chain, operational tactics design, and the practical application of strategic and tactical knowledge. These initiatives aim to align participants with our strategic goals while enhancing their professional expertise.

During the year, our operations in Singapore recorded an average of 11.05 training hours per employee, with one-third of participants engaging in role-specific training such as Product Knowledge, Customer Service, and Visual Merchandising Display. In our PRC operations, we exceeded 1,600 total training hours, which included sessions on compliance, retail and operations, product knowledge, finance and accounting, safety operations, and job rotation training.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMPOWERING OUR EMPLOYEES *(continued)*

Employees training and development *(continued)*

For office and administrative staff, we provide training on software applications to enhance their technical skills and improve work efficiency. Our managerial staff also undergo training to strengthen their leadership and management capabilities. Additionally, general staff members benefit from training sessions covering various topics, including legal compliance, information security, technical systems, and health and safety. We also offer specialized training for employees aspiring to become internal trainers.

In addition to our internal training programs, we encourage employees to pursue external professional development opportunities. Qualified individuals may receive financial subsidies to participate in approved external training programs. Furthermore, we collaborate with professional institutions to enhance the quality and effectiveness of our training initiatives.

Employee Trainings	Unit	2024	2023
Percentage of employees trained			
The Group	%	80	73
Percentage of employees trained by gender			
Female	%	80	67
Male	%	81	90
Percentage of employees trained by employment category			
Managerial employees	%	96	107
General staff	%	80	71
Average training hours			
The Group	hour	13.5[1]	20.5
Average training hours by gender			
Female	hour	10.1	20.9
Male	hour	10.3	19.5
Average training hours by employment category			
Managerial employees	hour	19.8[2]	51.7
General staff	hour	10.3	18.3

1 This year, we have seen a decrease in total training hours for our employees due to several factors. The training statistics methodology has changed, moving from a calculation based on total employee numbers to actual attendance records. Additionally, our focus in 2024 has shifted to training related to customer display standards in client stores, relying on store staff to conduct training among themselves. To facilitate easier understanding and comparison of trends over the two years, the 2023 data has been revised using the 2024 statistical methodology.

2 The reduction in management training is primarily due to changes in the training methods.

PROTECTING OUR ENVIRONMENT

Our Response to Climate Change

Goldlion is committed to building climate resilience and reducing our ecological footprint. Our primary aim is to integrate sustainability into every aspect of our business operations. To accomplish this, we ensure our practices comply with relevant environmental laws and regulations, including:

- the Environmental Protection Law of the PRC;
- the Water Pollution Prevention and Control Law of the PRC;
- the Atmospheric Pollution Prevention and Control Law of the PRC;
- the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste; and
- the Regulations on the Administration of Construction Project Environmental Protection.

We are continuously enhancing our commitment to environmental stewardship by staying informed about the latest trends in the ESG landscape and aligning with stakeholder expectations. We have identified six key environmental areas to establish comprehensive sustainability objectives across our organization. These objectives guide our actions and reporting, focusing on:

- Reducing air pollution and greenhouse gas emissions
- Effective waste management
- Promoting responsible resource use
- Preserving biodiversity
- Mitigating climate change
- Raising environmental awareness

Throughout the reporting period, we adhered strictly to environmental protection laws and regulations, with no significant instances of non-compliance. We value employee feedback regarding our environmental initiatives and practices, actively seeking their input to foster continuous improvement in our environmental performance.

Managing Climate-related Risks and Opportunities

At Goldlion, we recognize the adverse effects of climate change and the necessity of managing these challenges. Our goal is to extend environmental awareness beyond our business practices to a broader audience. We are dedicated to reducing our carbon footprint and addressing other climate-related risks through robust environmental and climate change policies. These policies provide clear guidelines for tackling various environmental issues, including air and greenhouse gas emissions, waste management, resource utilization, and biodiversity conservation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PROTECTING OUR ENVIRONMENT *(continued)*

Managing Climate-related Risks and Opportunities *(continued)*

We take proactive steps to minimize our impact on biodiversity and natural habitats, ensuring that endangered and vulnerable species are not used in our apparel production. Our policy also outlines our approach to identifying and mitigating significant long-term climate-related issues, regularly assessing risks and opportunities associated with climate change that may affect the Group's operations.

Acute Physical Risk:

Risk that are driven by extreme weather events, such as typhoon, heavy rainfall, and floods.

Potential Impact:

These risks may increase the possibility of health and safety hazards to our staff and consumers, increase insurance premiums and cause business interruption.

Our Response:

The Group has developed operational protocols to ensure the well-being and safety of our employees during the rainy season and extreme weather events. Furthermore, the Group has implemented property insurance and public liability insurance to safeguard its interests and minimize potential financial risks. We also utilize electronic platforms for climate response training, ensuring all employees are prepared to implement relevant defensive measures during typhoons. Essential items for wind protection, such as tape, raincoats, and water shoes, are prepared in advance.

Chronic Physical Risk:

Risks associated with longer-term shifts in climate patterns, such as sustained high temperature, and change in precipitation patterns.

Potential Impact:

Longer-term changes in the climate, such as increasing mean temperatures at our business locations may increase operating and maintenance costs.

Our Response:

The Group has implemented climate-resilient features in its buildings and properties, utilizing materials resistant to wind and water. Furthermore, comprehensive Contingency Plans for Emergencies have been established, outlining the responsibilities of relevant departments and the property management team in addressing climate-related hazards such as typhoons, heavy rainfall, and extreme weather events.

Transition Risk – Policy and Legal:

New policies and regulations relating to a low-carbon economy transition proposed by the government.

Potential Impact:

More stringent policy requirements towards decarbonisation may cause higher capital investment and other non-compliance fines.

Our Response:

Our legal and finance departments keep abreast of the latest regulatory development to ensure compliance with the applicable laws and regulations in the jurisdictions that we operate.

Transition Risk – Reputation:

Increasing public expectation on lower-carbon economy transition may cause reputational impact on the business.

Potential Impact:

The Group's reputation would be adversely affected if it does not take proactive steps to address climate change and meet the public expectation.

Our Response:

The Group is actively pursuing opportunities to transition its operations into low-carbon practices, such as installing solar-powered lights on rooftops and replacing rear staircases with LED motion-sensor lighting. These initiatives aim to enhance sustainability and mitigate any negative perceptions associated with a lack of progress.

PROTECTING OUR ENVIRONMENT *(continued)*

Managing Climate-related Risks and Opportunities *(continued)*

The Group has established targets to reduce greenhouse gas ("GHG") emissions, energy consumption, water usage, and waste generation by 2030, using 2020 as our baseline. These targets are aimed at lessening our impact on climate change. Additionally, our manufacturing facility in Meizhou has successfully implemented and achieved certification for the ISO 14001 Environmental Management System. This certification guarantees effective emergency response mechanisms in case of severe environmental incidents and allows us to track our progress in energy efficiency and emission reduction goals.

Managing Energy Consumption and Greenhouse Gas Emissions

Our energy consumption and GHG emissions are primarily driven by electricity usage. To minimize our environmental impact, we are continually seeking innovative and eco-friendly solutions to enhance energy efficiency. While we have not established specific energy targets for our property development project in Meixian due to variable consumption during different construction phases, we recognize the importance of monitoring and setting targets for energy conservation and GHG emission reduction, as outlined below:

Energy Consumption Reduction Targets

For apparel business and all our offices operation, achieve 16.7% reduction (1.67% per year) in energy consumption per million HK$ turnover in 2030 against the baseline year 2020.

For property investment business, achieve 16.7% reduction (1.67% per year) in energy consumption per floor area (excluding the consumption and floor area occupied by tenants) in 2030 against the baseline year 2020.

GHG Emissions Reduction Targets

For apparel business and all our offices operation, achieve 28% reduction (2.8% per year) in GHG emissions per million HK$ turnover in 2030 against the baseline year 2020.

For property investment business, achieve 28% reduction (2.8% per year) in GHG emissions per floor area (excluding the emissions generated and floor area occupied by tenants).

To meet our energy-saving goals, we have implemented several initiatives aimed at enhancing efficiency and reducing our environmental footprint.

We installed photovoltaic ("PV") panels that generate approximately 385,000 kWh of electricity annually, resulting in a reduction of approximately 385 tons of carbon emissions each year. In addition to the PV panels, we have replaced older central air conditioning units with more efficient models, achieving an estimated 39% reduction in electricity costs. We also installed solar lighting systems on rooftops and upgraded all stairwell lighting to LED sensor-based tubes. Furthermore, 85% of the parking lot lighting has been converted to LED tubes equipped with time switches and sensors. To optimize our energy management, we have adjusted temperature settings and implemented smart monitoring systems to control electrical operations. Together, these measures aim to significantly minimize energy consumption and lessen our overall environmental impact.

In recognition of our commitment to energy-saving practices, we received the "Platinum Award" from the Environmental Bureau for our charter on External Lighting, as well as the Energywise Certificate from Hong Kong Green Organisation Certification, highlighting our successful energy-saving initiatives and adoption of eco-friendly technologies.

PROTECTING OUR ENVIRONMENT *(continued)*

Managing Energy Consumption and Greenhouse Gas Emissions *(continued)*

Compared to 2023, the total energy consumption and GHG emissions of the Group increased during the Reporting Period as we phased out the use of Liquefied Petroleum Gas ("LPG") following the completion of the 2023 property development project and adopted the use of natural gas.

Managing Water Consumption

Goldlion recognizes the challenges of water scarcity in Mainland China and is committed to responsibly managing our water consumption in affected regions. With this in mind, we have set a target to reduce overall water consumption across our Group, noting that property development projects are excluded from this target due to varying water use during construction phases.

Water Consumption Reduction Targets

For apparel business and all our offices operation, achieve 43% reduction (4.3% per year) in water consumption per million HK$ turnover in 2030 against the baseline year 2020.

For property investment business, achieve 43% reduction (4.3% per year) in water consumption per floor area in 2030 against the baseline year 2020.

To achieve our water reduction goals, we have implemented several conservation initiatives. These include regular inspections, installation of flow restrictors on faucets, adjustments to water pipes in air conditioners, rainwater collection for gardening, and recycling water from vehicle washing at construction sites. We estimate that treating disposed water from air conditioning units and rainwater can save about 10,000 cubic meters per year, with our toilet renovation plan expected to save an additional 20,000 cubic meters. Additionally, we conduct monthly assessments of water usage in commercial properties to analyze and optimize consumption. We also prioritize employee education to enhance awareness of water conservation and promote the use of recycled water.

We are committed to complying with all relevant government regulations regarding wastewater treatment and discharge. Our wastewater treatment processes adhere strictly to the standards set by local authorities, ensuring proper treatment and environmental compliance. We regularly inspect drainage systems within and outside our properties to maintain efficiency and prevent blockages.

Compared to 2023, our total water consumption has decreased during the reporting period. We are continuously monitoring water consumption patterns across the Group and remain committed to implementing further reductions. To enhance our efforts, we are also reinforcing employee education on water-saving measures and promoting the use of recycled water. In Shenyang, we conduct annual cleaning of water storage tanks and biannual water quality tests, with reports archived for compliance. Monitoring of water usage in our buildings ensures accountability and helps identify areas for further improvement.

PROTECTING OUR ENVIRONMENT *(continued)*

Managing Material Use and Waste Handling

We carefully handle hazardous waste generated in our offices, including electronics, fluorescent tubes, and solvent-based paints, to minimize environmental impact. Our waste management practices are based on the "4Rs" principles: Reduce, Reuse, Recycle, and Replace. We have established designated collection containers for hazardous waste and provide guidance to staff on proper disposal procedures. In accordance with the local government regulations regarding municipal waste management, we ensure that hazardous waste, such as expired batteries and fluorescent tubes, is disposed of in designated collection containers or collected by responsible personnel.

Waste is categorized into recyclable and non-recyclable materials, with separate collection bins in place. Non-recyclable waste is collected daily, while recyclable materials like paper, metal, and plastic are picked up regularly by certified recycling companies. We conduct comprehensive waste sorting training sessions for employees at our Guangzhou site at least twice a year, utilizing various methods such as lectures, videos, and competitions.

To reduce material consumption, we make conscious procurement decisions, prioritizing copier paper certified by CFCC and PEFC to ensure sustainable sourcing. We encourage employees to utilize secondary paper and minimize printing. To further reduce unnecessary paper use, we input recycling records online monthly, promoting digital documentation. We maintain a material inventory record to monitor consumption and replenishment effectively, and we strive to transition to online document management to reduce paper reliance. We also encourage the use of environmentally friendly paper and promote awareness around plastic waste by encouraging the use of personal mugs in the office. We utilize leftover materials to control costs and maximize resource use.

While our primary packaging consists of plastic bags, wrappings, and cardboard boxes, we are actively researching environmentally friendly alternatives as part of our commitment to a circular economy. We have begun incorporating biodegradable packaging materials into some products to minimize waste. This year, we received recognition from the Environmental Campaign Committee ("ECC") and a Certificate of Merit for Source Separation of Commercial and Industrial Waste from the Environmental Protection Department ("EPD") for our sustainable waste management practices.

The Group has set a target to achieve a 50% paper recycling rate by 2030 across our offices and apparel business. During the reporting period, we attained a 42% paper recycling rate. In conjunction with our waste reduction initiatives, we participate in various government campaigns and environmental programs to enhance our waste management practices and promote sustainability among our staff.

In our non-hazardous waste disposal guidelines, we classify waste into recyclable and non-recyclable categories. Employees are instructed to dispose of recyclable materials, such as newspapers and plastic bottles, in designated containers, while non-recyclable waste is collected separately. Kitchen waste is also managed through specific collection containers in break rooms and cafeterias, ensuring proper disposal and promoting an organized waste management system. Looking ahead, we aim to enhance our waste recycling strategies and consider setting waste reduction targets for other waste types.

PROTECTING OUR ENVIRONMENT *(continued)*

Managing Air Quality

Our direct contribution to air pollution emissions is minimal, as most of our products are manufactured by external suppliers. Only a small portion, such as ties, leather goods, and corporate uniforms, is produced at our Meizhou factories. To reduce transport mileage, fuel consumption, and air pollution, we continually optimize our distribution networks and plan efficient routes. Emissions from our administrative vehicles comply with national exhaust standards. Aside from minimal gas consumption in our canteen, our operations have a negligible impact on air quality. We have installed treatment facilities to address oily fumes from our kitchen exhaust.

We adhere to the expectations of environmental protection agencies regarding our discharge practices. To further mitigate our environmental impact, we promote alternatives to unnecessary business travel among employees, encouraging the use of conference calls and electronic communication. For essential short-distance trips, we advocate for train travel over flights whenever possible. By adopting these practices, we aim to minimize air pollution associated with business-related travel.

Environmental Data Summary

The table provided offers a concise overview of our environmental performance during the years 2023 and 2024. To ensure accurate comparisons, we have excluded the performance data from property development operations in the intensity figure. This exclusion is necessary due to the significant fluctuations that occur during different phases of construction, making it challenging to establish meaningful year-to-year comparisons.

PROTECTING OUR ENVIRONMENT *(continued)*

Environmental Data Summary *(continued)*

Indicators	Unit	2024	2023
Air emissions[1]			
Nitrogen oxides	kg	21.8	97.7
Sulphur oxides	kg	0.7	0.9
Particulate matter ("PM")	kg	3.5	5.4
GHG emissions			
Scope 1 Emissions[2]	**tonne CO_2 equivalent (tCO_2e)**	**734**	**723**
Offices	tCO_2e	107	153
Apparel distribution and manufacturing	tCO_2e	627	569
Property development[3]	tCO_2e	0	0
Scope 2 Emissions[4]	**tCO_2e**	**5,870**	**6,398**
Offices	tCO_2e	999	809
Apparel distribution and manufacturing	tCO_2e	1,262	1,590
Property investment	tCO_2e	3,082	3,429
Property development	tCO_2e	527	570
Scope 3 Emissions	**tCO_2e**	**342**	**392**
Business travel[5]	tCO_2e	242	268
Others[6]	tCO_2e	100	125
Total GHG emissions	**tCO_2e**	**6,946**	**7,513**
GHG emissions intensity			
GHG emissions per employee	tCO_2e/employee	4.08	4.24
GHG emissions per gross floor area	tCO_2e/m^2	0.08	0.09
GHG emissions (Scope 1 + 2) for apparel distribution and manufacturing business per turnover	tCO_2e/million HK$	1.93	2.07
GHG emissions (Scope 1 + 2) for property investment business and offices per floor area[7]	tCO_2e/m^2	0.07	0.08

1 Air emissions are generated from the consumption of Liquefied Petroleum Gas, petrol and diesel fuel. The Emission Factors adopted are based on Appendix C2: Environmental, Social and Governance Reporting Code.

2 The data of scope 1 GHG emissions includes carbon dioxide, methane, nitrous oxide generated from the combustion of fuels in stationary combustion sources and vehicles and is calculated based on the emission factors in the "Appendix C2: Environmental, Social and Governance Reporting Code" published by the HKEx and the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by DEFRA in the UK. The global warming potential is referred to in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC"). The Group has adopted the "operational control" approach for defining its organisational boundary for the purpose of Scope 1, 2, and 3 GHG accounting and reporting.

3 Property Development does not have Scope 1 emission data, as it does not involve major energy consumption beyond electricity use.

4 Scope 2 emissions are indirect GHG emissions from the consumption of purchased electricity by the Company. The emissions factors for Hong Kong-based operations are adopted from the latest sustainability reports published by CLP Power Hong Kong Limited in 2022 and Hongkong Electric in 2022; the emissions factors for the Mainland-based operations referenced the Ministry of Ecology and Environment of the People's Republic of China and the International Energy Agency ("IEA") for locations outside Hong Kong and PRC.

5 Emissions data relating to air travel by the employees of the Group was based on the International Civil Aviation Organization Carbon Emissions Calculator ("ICAO").

6 Scope 3 — other indirect GHG emissions include methane gas generation at landfill due to disposal of paper waste, GHG emissions due to electricity used for freshwater processing by the Water Services Department and sewage processing by the Drainage Services Department.

7 Data for property investment business only covers common areas of the Group's property holdings in China Mainland.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PROTECTING OUR ENVIRONMENT *(continued)*

Environmental Data Summary *(continued)*

Indicators	Unit	2024	2023
Energy consumption			
Total energy consumption[8]	kWh	14,124,124	14,300,367
Electricity	kWh	11,073,772	11,361,751
Petrol	Litre	42,399	57,531
Diesel[9]	Litre	2,549	102,751
Natural Gas[9]	m^3	258,233	126,666
Energy consumption per employee	kWh/employee	8,303	8,075
Energy consumption per floor area	kWh/m^2	162	171
Energy consumption for apparel distribution and manufacturing business per turnover	kWh/million HK$	5,137	4,972
Energy consumption for property investment business and offices per floor area	kWh/m^2	137	140
Water consumption			
Total water consumption	m^3	130,068	166,782
Water consumption per employee	m^3/employee	76.5	94.2
Water consumption per floor area	m^3/m^2	1.5	2.0
Water consumption for apparel distribution and manufacturing business per turnover	m^3/million HK$	32.91	50.62
Water consumption for property investment business and offices per floor area	m^3/m^2	1.1	1.1
Waste management and packaging materials			
Total hazardous waste produced[10]	tonne	0.0	0.034
Hazardous waste intensity	tonne/employee	0.0	0.00002
Total non-hazardous waste produced	tonne	32.9	33.9
Non-hazardous waste intensity	tonne/employee	0.02	0.02
Total packaging material[11]	tonne	123.3	196.1
Paper consumption for offices and apparel distribution and manufacturing business	tonne	131.1	123.0
Paper recycled in offices and apparel distribution and manufacturing business	tonne	55.1	29.1
Paper recycling rate for offices and apparel distribution and manufacturing business	%	42.0	23.7

8 Energy consumption from fossil fuels in the use of stationary combustion sources and vehicles is calculated with reference to "Appendix C2: Environmental, Social and Governance Reporting Code" published by the HKEx.

9 Diesel for boilers consumption has been reduced as it has been gradually replaced by natural gas from June 2023.

10 As the major businesses of the Group are wholesales and retailing business of apparels, the amount of hazardous waste produced by the Group during the reporting period was insignificant. Hazardous waste generated by the Group was collected by qualified contractors for treatment in a safe manner.

11 Packaging material mainly includes packaging bags, and cartons.

SUPPORTING OUR COMMUNITY

The Group remains steadfast in its commitment to creating a meaningful impact on society by actively investing in and engaging with local communities. Our Community Investment Policy is in place to provide a clear and transparent framework that guides our community initiatives and programs, ensuring alignment with our core values and strategic goals.

As part of this commitment, the Group has offered support to charitable organizations, government bodies, NGOs, and various community programs. This support has been delivered through a combination of material contributions, financial sponsorships, and employee volunteer efforts. These initiatives highlight our commitment to empowering communities and driving their long-term sustainability.

During the reporting period, the Group has contributed HK$2,824,000 to a diverse range of community projects across the PRC and Hong Kong. These contributions reflected our dedication to driving positive social impact and supporting the communities where we operate.

Community Donations

In 2024, the Group continued its steadfast support for the "Care in Action" initiative, donating over 39,000 clothing items and 200 pairs of leather shoes to underprivileged communities. These contributions included a wide variety of clothing such as coats, cotton jackets, suit pants, T-shirts, jeans, and other essential items, catering to professional, casual, and seasonal needs.

Event Sponsorship

During the Reporting Period, the Group actively supported a variety of community initiatives through event sponsorships as we are committed to fostering cultural, sports, and socio-economic development.

In particular, we have sponsored the dart league with HK$60,000 to support the Inauguration Ceremony of the Fourth Council of the Darts Federation of Hong Kong and the Hong Kong Government Disciplined Services Darts League Guoan Cup 2024, promoting the development of darts as a sport within Hong Kong.

Furthermore, the Group contributed to the promotion of arts and cultural appreciation by sponsoring 227 tickets for the Palace Museum's first musical children's play, LUDUAN. This initiative underscores the Group's dedication to enriching the cultural landscape and enhancing accessibility to the arts for the broader community.

Beyond sports and cultural events, the Group extended its support to key socio-economic initiatives such as the Circle of Hearts Charity Dinner, organized by Connecting Hearts, and the CGCC World Chinese Entrepreneurs Summit 2024, themed "Exploring the Opportunities of the RCEP Markets and Hong Kong's Strengths", hosted by the Chinese General Chamber of Commerce.

Through these sponsorships, the Group reaffirms its commitment to creating a positive and meaningful impact across various sectors of the community.

Scholarship Contribution

In 2021, the Group committed to a RMB5 million scholarship contribution to Shandong University for establishing a Cultural Development Fund. This initiative involves an annual donation of RMB1 million over a period of five consecutive years.

The scholarship is designed to support the nurturing of talent in culture and the arts, promote artistic research, and foster cultural exchange and interaction. Through this contribution, the Group demonstrates its dedication to advancing education and cultural development, while investing in the growth of future leaders in these fields.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ESG REPORTING CODE CONTENT INDEX

Mandatory Disclosure Requirements	Reference Sections and Remarks
Governance Structure	BOARD STATEMENT
Reporting Principles	ABOUT THIS REPORT
Reporting Boundary	ABOUT THIS REPORT

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on:	
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	p.41–46
KPI A1.1	The types of emissions and respective emissions data.	p.47
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	p.47
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	p.48
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	p.48
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	p.43–44
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	p.45

HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
A. Environmental *(continued)*		
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.43–46
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	p.48
KPI A2.2	Water consumption in total and intensity.	p.48
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	p.43–44
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	p.43–44
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	p.48
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	p.43–46
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	p.43–46
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	p.41–42
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	p.41–42

HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
B. Social		
Aspect B1: Employment		
General Disclosure	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	p.36–40
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	p.37
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.38
Aspect B2: Health and Safety		
General Disclosure	Information on:	
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	p.38–39
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.39
KPI B2.2	Lost days due to work injury.	p.39
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	p.38–39

HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
B. Social *(continued)*		
Aspect B3: development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	p.39–40
KPI B3.1	The percentage of employees trained by gender and employee category.	p.40
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.40
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	p.36–37
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.36–37
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.36–37
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	p.35–36
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KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	p.35
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	p.35
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	p.36

HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
B. Social *(continued)*		
Aspect B6: Product responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	p.31–34
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.32
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	p.32
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.33
KPI B6.4	Description of quality assurance process and recall procedures.	p.31–32
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	p.34

HKEX ESG REPORTING CODE CONTENT INDEX *(continued)*

Aspects, General Disclosure, KPIs	Description	Reference Sections and Remarks
B. Social *(continued)*		
Aspect B7: Anti-corruption		
General Disclosure	Information on:	
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	p.28
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	p.28
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	p.28
KPI B7.3	Description of anti-corruption training provided to directors and staff.	p.28
Aspect B8: Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	p.49
KPI B8.1	Focus areas of contribution.	p.49
KPI B8.2	Resources contributed to the focus area.	p.49

CORPORATE GOVERNANCE REPORT

The Board and the management of the Company are committed to maintain a high standard of corporate governance. The Board believes that to carry on the business in an accountable and transparent manner and following good corporate governance practices serve the long-term value to shareholders and stakeholders.

CORPORATE GOVERNANCE PRACTICES

The Board develops and reviews the Company's policies and practices on corporate governance. The Directors also review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and disclosure in the Corporate Governance Report. During the year under review, the Company complied with the Code Provisions in the Corporate Governance Code except that the roles of chairman and chief executive were performed by the same individual as explained below.

The Directors would continue to monitor and review the Company's corporate governance practices to ensure compliance.

CORPORATE CULTURE

Founded in 1968 by Dr. Tsang Hin Chi in Hong Kong, the Group embarked on its journey with a pioneering focus on necktie sales. Through continuous expansion of over half a century, we have evolved our portfolio to include the sale of apparel and accessories, as well as property investment and development, with our market covering China Mainland, Hong Kong SAR and Singapore. We have consistently adhered to a customer-oriented philosophy, committing ourselves to providing customers with excellent quality of products and services.

The Group has recognized "industriousness, frugality, integrity and trustworthiness" as its corporate culture. To obtain a sustainable business model that can maintain a healthy development of the Group's operation in long run, the Group operates through diligence, thriftiness and sincerity as well as through emphasizing reputation.

The Group maintains a strong sense of patriotism and is committed to contributing to the countries' long-term development proactively. We are firmly convinced that our business will flourish alongside the great rejuvenation of the nation, presenting exceptional opportunities for our growth.

The Group is committed to promote its corporate culture in alignment with its core values and vision, which enables the Group to deliver its long-term strategies. At the same time, the Group is committed to ensuring that its businesses are conducted lawfully, ethically and responsibly, and in accordance with high standards of business ethics and corporate governance.

BOARD OF DIRECTORS

Overall Accountability

The Board assumes full responsibility for leadership, control and development of the Company and is collectively responsible for promoting the success and sustainable development of the Company. It provides direction in matters concerning the Company's business strategies, policies and plans whereas daily business operations are delegated to the senior management. In discharging the corporate accountability, each Director is required to pursue excellence in the interests of the shareholders as a whole and fulfill his/her fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board Composition

The Board has a balance of skills and experience appropriate for the requirements of the Group's businesses. Currently, the Board comprises five members in total including an executive Director, a non-executive Director and three independent non-executive Directors. Non-executive Directors provide the Board with diversified expertise and experience. The Board believes that the presence of independent non-executive Directors can provide sufficient checks and balances that safeguard the interests of shareholders and the Group as a whole.

Each of the independent non-executive Directors has confirmed in writing to the Company their independence in particularly regarding to the requirements under Rule 3.13 of the Listing Rules. The Board considers that the independent non-executive Directors are free from any business or other relationship that may influence their exercise of independent judgment.

In case of an independent non-executive Director who has served more than 9 years, his further appointment is subject to a separate resolution to be approved by shareholders. The circular for shareholders' meeting accompanying that resolution will include the reasons why the Board believes he is still independent and should be re-elected.

Biographical details of the Directors are set out on pages 74 to 75. There are no family or other material relationships among the Directors.

BOARD OF DIRECTORS *(continued)*

Responsibilities and Delegation

The Company has clear policy to ensure that all Directors have a proper understanding of the business and operations of the Group and that they are fully aware of their roles and responsibilities as Directors under relevant legislations and regulatory requirements.

The Board reviews and monitors the Company's policies and practices on compliance with legal and regulatory requirements.

The Board is accountable for the supervision of the management in the business and affairs of the Company and the Group. Apart from its statutory and fiduciary duties, the Board sets the Group's objectives and approves strategic plans, key operational targets, capital expenditure, major investments and financing decisions. Day-to-day management of the Company is delegated to the executive Director and the officers in charge of each business unit and function who are required to report to the Board.

All Board members are provided with full and timely information about the conduct of the business and development of the Company including monthly reports and updates on major matters. The Board reviews businesses and performance of the Group regularly.

To assist in the execution of its responsibilities, the Board has established three Committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. All these Board Committees have clear written terms of reference which are available on the websites of the Company and the Stock Exchange.

All Directors have disclosed to the Company their interests as director and other office in other public companies and organizations annually including an indication of the time involved. The Directors have also regularly reported to the Company Secretary on any subsequent changes.

Board Meetings

The Board meets regularly and as and when required. In the year under review, five regular full Board meetings had been held. The Directors discussed the overall strategies of the Group, monitored financial and operational performance, approved the Group's financial statements as well as other material contracts and significant matters at the Board meetings. All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group during the year.

Details of Directors' attendance records in 2024 are set out below:

	Attendance (%)	
Executive Director		
Mr. Tsang Chi Ming, Ricky	(4/4)	100%
Non-executive Director		
Mr. Ng Ming Wah, Charles	(5/5)	100%
Independent Non-executive Directors		
Dr. Lau Yue Sun (passed away on 27th August 2024)	(0/3)	0%
Mr. Li Ka Fai, David	(5/5)	100%
Mr. Ngan On Tak (retired on 24th May 2024)	(0/1)	0%
Ms. Lo Wing Sze	(5/5)	100%
Mr. Chan Kwong Ming, Johnny (appointed on 19th November 2024)	(1/1)	100%

BOARD OF DIRECTORS *(continued)*

Board Meetings *(continued)*

Dates of regular Board meetings are scheduled in the prior year to provide sufficient notice for all the Directors an opportunity to attend. For special Board meetings, reasonable notice will be given. The Directors may participate in the meetings in persons, by phone or other similar communication devices. Between regular Board meetings, the Directors may approve matters by ways of passing written resolutions.

The Company Secretary assists the Chairman in establishing the meeting agenda, and each of the Directors may request inclusion of items in the agenda. Board members are also provided with timely and adequate information prior to the Board meetings, and on an on-going basis, can have separate and independent access to the Group's senior management. Where queries are raised by Directors, prompt and full responses will be given if possible.

At the Board meetings, there is open atmosphere for Directors to contribute alternative views and major decisions would only be taken after a full discussion at the meetings. For matters on transactions where Directors are considered having conflict of interests, the Directors concerned would not be counted in quorum of meeting and shall abstain from voting on the relevant resolution.

The Directors can have separate and independent access to the Company Secretary. Minutes of the meetings are kept by the Company Secretary and copies are provided to Directors.

All Directors have full and timely access to all relevant information about the Group so that they can discharge their duties and responsibilities as Directors effectively. Where any member of the Board, whether individual or as a group, needs independent professional advice, the Company will appoint a professional advisor to render such service. The costs of such professional services will be borne by the Company.

A directors' and officers' liabilities insurance in respect of legal actions against Directors and officers has also been arranged.

Chairman and Chief Executive Officer

In respect of the requirement under Code Provision C.2.1, the positions of the Chairman and the Chief Executive Officer are held by the same individual, namely, Mr. Tsang Chi Ming, Ricky during the year. As Mr. Tsang Chi Ming, Ricky has joined the Group for over thirty years and has good understanding of the Group's businesses, the Board believes that holding the positions of both Chairman and Chief Executive Officer by Mr. Tsang Chi Ming, Ricky provides the Group with more effective planning and execution of long-term business strategies and enhances efficiency in decision making. The Board also believes that an effective corporate governance structure of the Group has been in place to ensure an appropriate monitoring of Management.

In addition, out of the five Board members, there are one non-executive Director and three independent non-executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards.

The Chairman is primarily responsible for leading the Board and ensuring that it functions effectively and smoothly. Directors are encouraged to participate actively in all Board and committee meetings of which they are members.

The Chairman had held a meeting with the independent non-executive Directors without the presence of other Directors.

BOARD OF DIRECTORS *(continued)*

Appointments, Re-election and Removal of Directors

All Directors have formal agreements or appointment letters setting out the key terms and conditions of their appointment. In accordance with the Company's Articles of Association, any Director appointed to fill casual vacancy will be subject to election at the first general meeting after their appointment and every Director has been subject to retirement by rotation at least once every three years. Each of the non-executive Directors has entered into formal appointment letter setting out their specific term of appointment of three years commencing from the date of the annual general meeting at which they are re-elected subject to the provisions of the Company's Articles of Association.

The Board has established the Nomination Committee with specific terms of reference. The Nomination Committee currently consists of three independent non-executive Directors, a non-executive Director and an executive Director. List of members of Nomination Committee is set out in the "Corporate Information" on page 2.

With a view to ensuring that the Board has members with the right profile of expertise, skill and ability as well as an appropriate balance of independent directors, the Nomination Committee is responsible for formulating policy and making recommendations to the Board on nominations, appointment of Directors and Board succession. The Committee develops selection procedures for candidates, and considers different criteria including appropriate professional knowledge and industry experience, as well as consults external recruitment professionals when required.

The Company has adopted a set of nomination policy to formalize the nomination practice. The policy sets out the selection criteria and procedures for the nomination of suitable candidates to the Board. In accordance with the policy, the Committee will evaluate potential candidates by considering various factors including but not limiting to their integrity, personal ethics, qualification and business experience, ability to provide insights and practical intelligence, commitment to enhancing shareholder value, time devotion and ability to maintain good working relationship. The Company is committed to improving Board diversity based on its needs and as and when suitable candidates are identified.

The Committee will also consider the independence of candidates if they will be appointed as independent non-executive Directors. The Committee will then make recommendation of suitable candidates to the Board for consideration of appointment. In case of re-appointment of retiring Directors, the Committee will review the rotation and retirement of Directors and make recommendations to the Board accordingly.

The Committee also reviews the size, structure and composition of the Board and assesses the independence of the independent non-executive Directors. The Committee is provided with sufficient resources enabling it to perform its duties and it can seek independent professional advice at the Company's expense if necessary.

BOARD OF DIRECTORS *(continued)*

Appointments, Re-election and Removal of Directors *(continued)*

The Nomination Committee held one meeting during the year to review the structure, size and composition of the Board including diversity consideration. It recommended the appointment of a new independent non-executive Director to the Board for approval and also discussed the nominations of Director and other relevant matters. The attendance records were as follows:

Members	**Attendance (%)**	
Mr. Chan Kwong Ming, Johnny (Chairman, appointed on 19th November 2024)	(0/0)	N/A
Dr. Lau Yue Sun (past Chairman, passed away on 27th August 2024)	(1/1)	100%
Mr. Li Ka Fai, David	(1/1)	100%
Mr. Ngan On Tak (retired on 24th May 2024)	(1/1)	100%
Ms. Lo Wing Sze	(1/1)	100%
Mr. Ng Ming Wah, Charles	(1/1)	100%
Mr. Tsang Chi Ming, Ricky	(1/1)	100%

Diversity

The Company has adopted a Board diversity policy setting out approach to achieve diversity on the Board. Board appointments are based on merit and candidates are considered against objective criteria, having due regard to diversity on the Board, including but not limited to race, gender, age, cultural and educational background, professional experience, skill and knowledge. The Company is committed to equality of opportunity and does not discriminate on the grounds of race, gender, age, disability, nationality or any other factors. It also recognizes and embraces the benefits of diversity in Board members. The Nomination Committee reviews and monitors the implementation of the diversity policy on a regular basis to ensure its effectiveness on determining the optimal composition of the Board.

For Board diversity, including gender diversity, the Company has maintained a female Director since its listing in 1992. The Board believes that it currently has the appropriate diversity to give balanced and wide-ranging considerations on matters deliberated at the Board level. The Board targets to maintain at least the current level of female representation and may adjust the proportion of female directors as and when appropriate. The current balance between the number of executive and non-executive Directors is also considered effective in ensuring independent judgment being exercised effectively to provide sufficient checks and balances to safeguard the interests of the Company and its shareholders.

As at 31st December 2024, 74% of the workforce (including senior management) are female. Female in management positions as percentage of total management workforce (including senior management) is 52%. The Company does not consider it necessary to set numerical targets and timelines for achieving gender diversity for the time being. The Company considers that it is more appropriate to retain flexibility in the dynamic environment in which it operates and to have an appropriate mix of diversity in its workforce based on its own needs from time to time. The Company advocates a diverse and inclusive workplace that enables people with different backgrounds to work together. The Group will organize more trainings, workshops and seminars on gender equality for employees.

BOARD OF DIRECTORS *(continued)*

Training and Support for Directors

Directors are required to keep abreast of their collective responsibilities. Each newly appointed Director will receive a comprehensive, formal and tailored induction on appointment. Subsequently, the Directors will receive briefing and professional development necessary for them to have proper understanding of the Group's operations and business and are fully aware of their responsibilities under relevant statutory and regulatory requirements. Guidance and notes are issued to Directors where appropriate to ensure compliance and enhance their awareness of best corporate governance practices.

The Board reviews and monitors the training and continuous professional development of Directors and senior management. A training seminar regarding anti-corruption was provided to the Directors and senior management during the year under review. In 2024, the Directors participated in the following trainings:

	Type of trainings
Executive Director	
Mr. Tsang Chi Ming, Ricky	A, B
Non-executive Director	
Mr. Ng Ming Wah, Charles	A, B
Independent Non-executive Directors	
Dr. Lau Yue Sun (passed away on 27th August 2024)	A, B
Mr. Li Ka Fai, David	A, B
Mr. Ngan On Tak (retired on 24th May 2024)	A, B
Ms. Lo Wing Sze	A, B
Mr. Chan Kwong Ming, Johnny (appointed on 19th November 2024)	A, B

A: attending seminars and/or conferences

B: reading newspapers, journals and updates relating to the economy, general business or director's duties and responsibilities

Compliance with Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. All the Directors confirmed that they have complied with the relevant requirements under the Model Code during the year.

REMUNERATION COMMITTEE

The Board has established the Remuneration Committee in 2005 with specific terms of reference. The Remuneration Committee currently consists of three independent non-executive Directors, a non-executive Director and an executive Director. List of members of Remuneration Committee is set out in the "Corporate Information" on page 2.

The key role of the Committee is to establish a formal and transparent procedure for developing remuneration policy and to review the remuneration packages of the executive Directors and members of the senior management with reference to the Board's corporate goals. The main objective of the remuneration policy is to ensure that the Company is able to attract, retain and motivate a high-calibre team of staff.

In determining remuneration packages, the Company mainly considers employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual staff.

In respect of the requirement under Code Provision E.1.2(c), the Company has adopted the model in which the Remuneration Committee should make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The Remuneration Committee reviews remuneration packages of the executive Directors and senior management regularly to ensure that those packages are commensurate with their performance. The chairman of the Committee will report the work, findings and recommendations to the Board after each meeting.

The Board provides sufficient resources (including access to independent professional advice if necessary) to the Remuneration Committee to enable it to discharge its duties effectively.

To maintain proper management control, no Director and member of the senior management can determine his/her own remuneration.

During the year, the Remuneration Committee held one meeting during the year to review the remuneration packages of individual executive Directors and senior management. Attendance records of the Committee meeting were as follows:

Members	**Attendance (%)**	
Ms. Lo Wing Sze (Chairman)	(1/1)	100%
Mr. Ngan On Tak (past Chairman, retired on 24th May 2024)	(1/1)	100%
Dr. Lau Yue Sun (passed away on 27th August 2024)	(1/1)	100%
Mr. Li Ka Fai, David	(1/1)	100%
Mr. Chan Kwong Ming, Johnny (appointed on 19th November 2024)	(0/0)	N/A
Mr. Ng Ming Wah, Charles	(1/1)	100%
Mr. Tsang Chi Ming, Ricky	(1/1)	100%

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for overseeing the preparation of financial statements of each financial period which give a true and fair view of the financial position of the Group and the results for the corresponding period, as well as inside information and other financial disclosures as required. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. In preparing the financial statements for the year, the Directors have:

– selected suitable accounting policies and applied them consistently;

– adopted accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants;

– made judgments and estimates that are reasonable; and have prepared the financial statements on the going concern basis.

All Board members are provided with monthly updates including latest financial and operational information which give the Directors a balanced and understandable assessment of the performance of the Group. Management provides all relevant information to the Board, giving the members sufficient explanation and information they need to discharge their responsibilities.

Audit Committee

The Audit Committee was established in 1998. Currently the Committee comprises three independent non-executive Directors and a non-executive Director, and is chaired by Mr. Li Ka Fai, David who has extensive accounting and auditing experiences.

The Audit Committee is primarily tasked with assisting the Board in fulfilling its oversight responsibilities for financial reporting, risk management and evaluation of internal controls and auditing processes. It also reports to the Board on matters relating to the Audit Committee under the relevant regulations. List of members of Audit Committee is set out in the "Corporate Information" on page 2.

The Committee is also empowered to investigate any matters relating to the Group's accounting, auditing, risk management, internal controls and financial practices, with full access to records, resources and personnel, to enable it to discharge its functions properly.

In respect of maintaining an appropriate relationship with the Company's auditors, the Committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Company's external auditors, and to approve their remuneration and terms of engagement, and any questions of resignation or dismissal of the auditors. The Committee reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee also discusses with the auditors the nature and scope of the audit and reporting obligations before the audit commences. The Company has also obtained an independence confirmation from the external auditor.

The Audit Committee has also conducted regular reviews on the nature and extent of non-audit services supplied by the external auditors and ensures that the engagement of the external auditors in non-audit services will not impair its audit independence or objectivity. The Committee had held a meeting with the external auditors without the presence of the management to discuss various auditing issues.

The Audit Committee has reviewed the Group's interim and annual results as well as the external auditor's management letter, any material queries raised by the external auditors to management about accounting records, financial statements, risk management or systems of control and management's response. The chairman of the Committee reports the work, findings and recommendations to the Board after each meeting.

ACCOUNTABILITY AND AUDIT *(continued)*

Audit Committee *(continued)*

The Audit Committee held four meetings during the year and the attendance records were as follows:

Members	Attendance (%)	
Mr. Li Ka Fai, David (Chairman)	(4/4)	100%
Dr. Lau Yue Sun (passed away on 27th August 2024)	(1/3)	33%
Mr. Ngan On Tak (retired on 24th May 2024)	(1/1)	100%
Ms. Lo Wing Sze	(4/4)	100%
Mr. Chan Kwong Ming, Johnny (appointed on 19th November 2024)	(0/0)	N/A
Mr. Ng Ming Wah, Charles	(4/4)	100%

RISK MANAGEMENT AND INTERNAL CONTROL

Overall Responsibility

Effective risk management and internal control systems are the essential element for the achievement of corporate goals. The Board therefore acknowledges its responsibility to evaluate and determine the nature and extent of the risks of the Group is willing to take. Senior management of the Group should formulate and implement the internal control system to facilitate risk management.

The Board, through the Audit Committee, is also responsible for ensuring, maintaining and reviewing the effectiveness of the risk management and internal control systems. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management Strategy

Effective risk management plays a vital role facilitating the Group to attain its vision and mission. In the long run, it raises the value for all stakeholders across the spectrum. Our risk management strategy includes:

– provide clear responsibility and accountability structures for risk management;

– determine the Group's risk profile within risk appetite;

– hold regular meetings to review the management of these risks and the effectiveness of mitigation plans and controls;

– actively identify the positive business opportunities in relation to these risks;

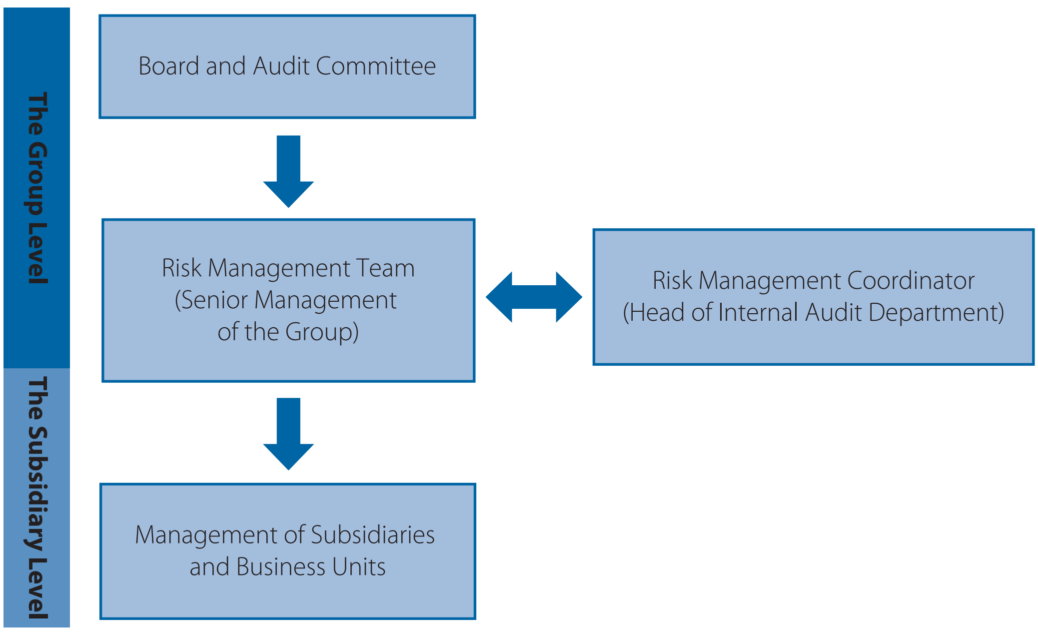
– embed risk management in core operations and decision-making process;

– allocate sufficient resources to develop, maintain and streamline risk management strategies and its policies.

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Risk Management Structure

In order to improve the Group's risk management and to enhance its management standards and ability to mitigate risks, the Board has established its organizational structure on risk management. The Group's risk management organizational structure includes a 3-tier framework, namely the Board and Audit Committee, risk management team comprising of senior management of the Group and management of subsidiaries and business units. Details of which are set out as follows:



Key roles performed by various parties within the risk management structure are set out below:

Board and Audit Committee

- Overseeing the structure and duties of the risk management functions;
- Assessing the effectiveness of the underlying risk management system;
- Reviewing assessment reports on major risk factors and other various risk management reports.

Risk Management Team (Senior Management of the Group)

- Reviewing and timely updating the "Risk Management Manual";
- Handling major risk factors of the Group and developing respective risk management measures;
- Reporting timely on various risk management matters and providing confirmation of the effectiveness of the risk management and internal control systems to the Board and the Audit Committee;
- Designing, implementing and monitoring the Group's risk management and internal control systems.

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Risk Management Structure *(continued)*

Risk Management Coordinator (Head of Internal Audit Department)

- Organizing and coordinating departments and business units of the Group for the promotion of risk management functions;
- Facilitating the Risk Management Team in assessing risks and proposing respective risk management measures;
- Facilitating the Risk Management Team in reporting significant risks, material changes and the associated mitigating actions and highlights to the Audit Committee to enhance the accountability and quality of the risk management process;
- Assisting the Risk Management Team in promoting the risk management culture of the Group and various risk control and assessment duties.

Management of Subsidiaries and Business Units

- Working together with the Risk Management Coordinator for performing risk assessment at operational level and updating the respective list of risk factors;
- Formulating and implementing specific risk management measures for respective operations;
- Monitoring and controlling the risks identified in respective operations, and reporting timely to the Risk Management Team.

Risk Management Process

The Group has adopted a "Risk Management Manual" setting out the Group's risk management cycle. The five major steps included in the cycle are risk identification, risk analysis, risk handling, risk monitoring and risk reporting.

If there are any new or change in risk factors, responsible risk owners are required to reassess the existing risk management measures and promptly propose new ones if necessary. Being an integral part of the Group's Risk Management Team to provide assurance on the effectiveness of the Group's risk management process and system of internal control, the Internal Audit Department carries out assessment on the risk management progress and risk responses submitted by risk owners.

During the year, the Group coordinated the management of major business units to walk through the risk management cycle. Major risks identified are:

– risk in managing and monitoring major business decisions properly;

– risk in maintaining a sustainable and profitable business model;

– risk in brand positioning.

During the year, the Group was not aware of any unexpected adverse changes that were significant to the risks related to the Group's business. The Board has also received a confirmation from management on the effectiveness of the Group's risk management and internal control systems.

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Risk Management Process *(continued)*

The Group has implemented appropriate procedures and control for the handling and dissemination of inside information. Guidelines setting out respective statutory and regulatory requirements, definition of inside information, reporting channel, timing and mode for the disclosure and other necessary information are in place. Designated staff will review the nature and materiality of the subject matter and identify whether it would constitute an inside information in the first instance. Appropriate actions, including consultation of external professional advice in confidentiality, will be taken to ensure the information is handled and disseminated properly in accordance with relevant requirements.

Internal Controls

The Board has ultimate responsibility for maintaining a sound and effective risk management and internal control systems, which is designed to provide reasonable but not absolute assurance against material errors, losses or fraud. The Board, through the Audit Committee, has conducted regular reviews on the effectiveness of the system.

The Group's internal control system comprises an established organizational structure and comprehensive policies and working procedures. Areas of responsibilities of each business and operational unit are reasonably defined to ensure sufficient segregation of duties.

The key procedures that the Board established to provide effective controls are as follows:

– a distinct organizational structure exists with defined lines of authority and control responsibilities;

– a comprehensive management accounting system is in place to provide financial and operational performance indicators to the management and the relevant financial information for reporting and disclosure purpose;

– policies and procedures are designed for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication;

– systems and procedures are also in place to identify, measure, manage and control risks including reputation, strategic, legal, credit, market, liquidity, interest rate and operational risks;

– procedures are designed to ensure compliance with applicable laws, rules and regulations;

– Audit Committee reviews recommendations submitted by external auditors to the Group's management in connection with the annual audit and interim review.

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal Controls *(continued)*

The Group's Internal Audit Department plays a major role in monitoring the internal control of the Group. The Department conducts systematic reviews of the Group's risk management and internal control systems by using a risk-based audit approach and reviews the effectiveness of the Group's internal control system against the Integrated Internal Control Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in order to provide reasonable assurance of the effectiveness of the system. The Department reports directly to the Audit Committee and has free access to review all aspects of the Group's activities and internal control system. The Department summarizes audit findings and control weaknesses and reports to the Audit Committee on a regular basis. If any material internal control defects are identified, the Department would report to the Audit Committee promptly and help ensure proper remedial actions are taken by management to resolve the internal control defects.

The whistle-blowing procedure of the Group is in place during the year. The procedure is to provide a reporting channel to employees of the Group, in confidence, to raise concerns about possible improprieties or frauds in financial reporting, internal control or other matters to the Audit Committee.

During the year, the Audit Committee, as delegated by the Board, has conducted an annual review on the adequacy and effectiveness of the Group's internal controls, including financial, operational and compliance controls as well as risk management functions for the calendar year 2024. The Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions.

External Auditors and their Remuneration

The external audit function provides an objective assessment of the financial information presented by the management, and is considered one of the essential elements to ensure effective corporate governance. A statement by the Company's external auditors, PricewaterhouseCoopers, in respect of their reporting responsibilities is set out in the Independent Auditor's Report on page 81.

During the year, total auditors' remuneration in relation to statutory audit work of the Group amounted to HK$3,352,000, of which a sum of HK$3,007,000 was paid to PricewaterhouseCoopers. The remuneration for PricewaterhouseCoopers and its affiliated firms, for services rendered is broken down below:

	HK$
Statutory audit and interim review fee	3,007,000
Tax and other consulting services	401,000
Total	3,408,000

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Board strives for timeliness and transparency in its disclosures to shareholders and the public. The Company disseminates its information to shareholders in a timely manner through various channels including interim and annual reports, published announcements, press releases and shareholders' circulars. Regular meetings are held with investors, analysts, bankers and the press. The Group has a corporate website where shareholders and members of the public are able to access to up-to-date corporate information and events related to the Group.

Contact details of the Company (including telephone and fax numbers, postal and email addresses) are listed in the "Corporate Information" on page 2. Shareholders can send their enquiries to the Company through these channels. Shareholders can also contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

Shareholders' views on matters relating to the Group are always welcomed by the Company. The Company encourages shareholders to attend at the shareholders' meetings to express any concerns they may have with the Board and management directly.

The annual general meeting of the Company provides a useful platform for dialogue and interaction with all the shareholders. At the annual general meeting, the Chairman as well as chairmen of the Board Committees, or in their absence, members of the Committees and the Company's external auditors are available to answer shareholders' questions.

Proceedings of the annual general meeting are reviewed regularly to ensure that the Company follows good corporate governance practices. The notice of annual general meeting is distributed to all shareholders at least twenty clear business days prior to the date of meeting and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The chairman of the annual general meeting proposes separate resolutions for each issue to be considered and exercises his power under the Articles of Association of the Company to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the meeting prior to the polls being taken. Voting results are posted on the websites of the Company and the Stock Exchange on the day of the meeting.

The 2024 annual general meeting was held on 24th May 2024. The attendance records of the Directors at the meeting were as follows:

	Attended/held
Executive Director	
Mr. Tsang Chi Ming, Ricky (attended by electronic means)	1/1
Non-executive Director	
Mr. Ng Ming Wah, Charles	1/1
Independent Non-executive Directors	
Dr. Lau Yue Sun (passed away on 27th August 2024)	1/1
Mr. Li Ka Fai, David	1/1
Mr. Ngan On Tak (retired on 24th May 2024)	1/1
Ms. Lo Wing Sze	1/1

COMMUNICATION WITH SHAREHOLDERS *(continued)*

The Company has also adopted a dividend policy during the year. In considering the declaration and distribution of dividends, the Board will take into account a number of factors including the Group's financial results, cash flow status, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on distribution of dividends and any other factors that the Board may consider relevant. In addition, the Group shall maintain adequate cash reserves to meet its working capital requirements, future business expansion and its shareholding value in recommending or declaring dividends.

Convening a General Meeting on Requisition by Shareholders

Shareholder(s) holding at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings can send a request to the Company to convene a general meeting pursuant to section 566 of the Companies Ordinance. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request must be sent to the Company in hard copy form or in electronic form and authenticated by the relevant shareholder(s).

Besides, section 615 of the Companies Ordinance provides that (i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders of the Company who have a right to vote on the resolution at the annual general meeting or (ii) at least 50 shareholders who have a right to vote on the resolution at the annual general meeting may request the Company to circulate a notice of a resolution for consideration at the annual general meeting. Such request must identify the resolution to be moved at the annual general meeting and must be authenticated by the relevant shareholder(s) and sent to the Company in hard copy form or in electronic form not later than six weeks before the relevant annual general meeting or if later, when the notice of the annual general meeting is despatched.

During the year ended 31st December 2024, the Company has not made any changes to its Articles of Association. The latest version of the same is available on the websites of the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements of Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31st December 2024.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in note 9 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 89.

The Directors declared an interim dividend of 2.0 HK cents (2023: 3.5 HK cents) per ordinary share, totalling HK$19,477,000 (2023: HK$34,245,000), which was paid on 17th September 2024.

The Directors do not recommend the payment of a final dividend (2023: 4.0 HK cents per ordinary share and totalling HK$38,954,000) in respect of the year ended 31st December 2024.

BUSINESS REVIEW

Further discussion and analysis of the Group's business as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622) is set out in the Chairman's Statement on pages 10 to 14. Those relevant contents form part of this Report of the Directors. Details of the Group's financial risk management are disclosed in note 3 to the financial statements.

Relevant details of the Company's environment policies and performance and key relationships with employees, customers and suppliers are set out in the Environmental, Social and Governance Report on pages 26 to 55. The Directors were not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group during the year.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK$2,824,000 (2023: HK$2,273,000).

PRINCIPAL PROPERTIES

Details of the principal properties of the Group held for investment, own use and development purposes at 31st December 2024 are set out on pages 18 to 25.

SHARES ISSUED IN THE YEAR

Details of the shares issued in the year ended 31st December 2024 are set out in note 17 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st December 2024, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622), amounted to HK$109,483,000 (2023: HK$172,653,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights under the laws of Hong Kong, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for each of the last five financial years is set out on page 156.

DIRECTORS

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

Executive Directors:

Mr. Tsang Chi Ming, Ricky

Non-executive Director:

Mr. Ng Ming Wah, Charles

Independent Non-executive Directors:

Dr. Lau Yue Sun (passed away on 27th August 2024)
Mr. Li Ka Fai, David
Mr. Ngan On Tak (retired on 24th May 2024)
Ms. Lo Wing Sze
Mr. Chan Kwong Ming, Johnny (appointed on 19th November 2024)

In accordance with Article 101 of the Company's Articles of Association, Mr. Tsang Chi Ming, Ricky and Mr. Li Ka Fai, David shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, shall offer themselves for re-election.

The Company has received confirmation from each of the independent non-executive Directors concerning their independence from the Company and considers them to be independent.

REPORT OF THE DIRECTORS

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

During the year and up to the date of this report, Mr. Tsang Chi Ming, Ricky and Mr. Ng Ming Wah, Charles were also directors in certain subsidiaries of the Company. Other directors of the Company's subsidiaries during the year and up to the date of this report were:

Mr. Kam Yiu Kwok
Mr. Quek Chew Teck
Mr. Tsang Chi Mao, Jimmy
Mr. Tu Wu Yi (retired during the year of 2024)

DIRECTORS' SERVICE CONTRACTS

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Descriptions of the Directors and Senior Management of the Group are set out as follows:

Executive Director

Mr. Tsang Chi Ming, Ricky, B.B.S., J.P., aged 58, is the Chairman and Chief Executive Officer of the Group. Mr. Tsang joined the Group in 1989 and was appointed as an executive Director in 2001 and as the Chief Executive Officer in 2005. Mr. Tsang was re-designated as Chairman and Chief Executive Officer in April 2018. He has extensive commercial experience and is a member of the National Committee of the C.P.P.C.C.. Mr. Tsang is also vice chairman of All-China Chamber of Industry and Commerce, vice chairman of Guangdong Federation of Industry & Commerce, vice chairman of Guangdong Province Federation of Returned Overseas Chinese, chairman of The Association of Overseas and Domestic Guangdong Hakka, chairman of Guangdong International Overseas Chinese Chamber of Commerce, vice chairman of the Chinese General Chamber of Commerce, executive chairman of Hong Kong Hakka Associations, chairman of Hong Kong Federation of Meizhou Associations, chairman of New Territories General Chamber of Commerce, chairman of Proactive Think Tank Limited and an honorary citizen of Guangzhou and Meizhou.

Non-executive Director

Mr. Ng Ming Wah, Charles, aged 75, was appointed to the Board in July 1992. Mr. Ng graduated from Loughborough University in England in 1972 with a B.Sc. degree in Electronic and Electrical Engineering and from London Graduate School of Business Studies (London Business School) in England in 1974 with an M.Sc. degree in Business Studies. Mr. Ng has over 45 years of experience in corporate finance and investment banking. During the last three years, Mr. Ng was a non-executive director and member of the audit committee of King Fook Holdings Limited (stock code: 280) and retired on 7th September 2023.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Independent Non-executive Directors

Mr. Li Ka Fai, David, aged 70, is a fellow of the Association of Chartered Certified Accountants, U.K.. Mr. Li is an independent non-executive director and chairman of the audit committee of Shanghai Industrial Urban Development Group Limited (stock code: 563). He is also an independent non-executive director, chairman of the audit committee, member of the nomination committee and member of the remuneration committee of each of Wai Yuen Tong Medicine Holdings Limited (stock code: 897), China-Hongkong Photo Products Holdings Limited (stock code: 1123) and Cosmopolitan International Holdings Limited (stock code: 120), an independent non-executive director, chairman of the audit committee and member of the remuneration committee of China Merchants Port Holdings Company Limited (stock code: 144), and an independent non-executive director, member of the audit committee and member of the remuneration committee of Continental Aerospace Technologies Holding Limited (formerly known as AVIC International Holding (HK) Limited) (stock code: 232). Mr. Li was appointed to the Board in August 2010.

Ms. Lo Wing Sze, B.B.S., J.P., aged 53, holds a Bachelor of Economics Degree from the University of Sydney and a Master of Commerce in Finance Degree from the University of New South Wales in Australia. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of CPA Australia. She is the financial director of Million Tour Limited and the founder and financial director of M1 Hotel Group. Ms. Lo was appointed as a Justice of the Peace in 2017 and awarded the Bronze Bauhinia Star in 2020 by the Hong Kong Special Administrative Region ("HKSAR") Government. She is a member of All-China Women's Federation Hong Kong SAR delegate and the Election Committee 2021 (The Fourth Sector) of the HKSAR and was a member of the Election Committee for the Fifth Government of the HKSAR (Tourism Subsector). Ms. Lo is a member of the Chief Executive's Policy Unit Social Development Expert Group, the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials, the Advisory Committee on Admission of Quality Migrants and Professionals, the Immigration Department Users' Committee, the Correctional Services Children's Education Trust Investment Advisory Board and the District Fight Crime Committee (Wan Chai District). She is also an Honorary Court Member of the Lingnan University. Ms. Lo is the Chairlady of Tai Hang Five Dragon Heritage Centre (Revitalising Historic Buildings Through Partnership Scheme Batch IV). Ms. Lo is an independent non-executive director of each of New World Development Company Limited (stock code: 0017), Virtual Mind Holding Company Limited (formerly known as CEFC Hong Kong Financial Investment Company Limited) (stock code: 1520), China Resources Mixc Lifestyle Services Limited (stock code 1209) and Lee & Man Paper Manufacturing Limited (stock code: 2314) respectively. During the last three years, Ms. Lo was an independent non-executive director of Finsoft Financial Investment Holdings Limited (stock code: 8018) and the terms of office expired in July 2023. Ms. Lo was appointed to the Board in April 2023.

Mr. Chan Kwong Ming, Johnny, aged 53, received his Bachelor of Arts Degree from the University of Toronto in 1994 and completed his Management Development Program from Harvard Business School in 1999. Mr. Chan has been appointed as adjunct professor at City University of Hong Kong since 2023. He is currently a standing director of the Hong Kong Chinese General Chamber of Commerce (HKCGCC) and chairman of the External Affairs Committee of the HKCGCC. Mr. Chan was appointed as a part-time member from 2009 to 2014 and an associate member from 2015 to 2017 of Central Policy Unit of the HKSAR. He joined Chun Sing International Holdings Limited in 1994 and was appointed as an executive director in 1996. Mr. Chan founded Titan Works Limited (a private equity investments company) and First Global Capital Consultants Limited (a consulting company) in 2003 and 2017 respectively. He is now the chairman of Titan Works Limited and a partner of First Global Consulting Group Limited (formerly known as First Global Capital Consultants Limited). Mr. Chan was appointed to the Board on 19th November 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

Senior Management

Mr. Kam Yiu Kwok, aged 62, is the Chief Financial Officer and Company Secretary of the Group. Mr. Kam joined the Group in 1999 as an accounting manager. He was appointed as Secretary of the Company in 2000 and also as Chief Financial Officer in 2010. Mr. Kam takes full responsibility for the Group's financial management, investor relations and company secretarial functions. He has extensive experience in accounting and finance, and is a fellow member of each of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Mr. Chan Mau Cheong Bryan, aged 46, joined the Group in May 2024 as the Chief Financial Officer of the Group's China Operation, responsible for the Group's financial management in China. Mr. Chan graduated from The Chinese University of Hong Kong with a first class honours degree in Bachelor of Business Administration. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst. Mr. Chan has over 20 years of experience in financial management. Prior to joining the Group, Mr. Chan was the Chief Financial Officer of a developer and operator of large-scale integrated logistics and trade centres in China which is listed on Hong Kong Main Board and had worked in Big 4 international accounting firm PricewaterhouseCoopers Ltd.

Mr. Tsang Pui Yuen, aged 57, joined the Group in December 2013 and is the General Manager in charge of the Group's property investment activities in China Mainland. Mr. Tsang is a Registered Professional Surveyor and is a member of the Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors and the Chartered Institute of Arbitrators. Mr. Tsang has over 30 years of experience in the real estate profession. Prior to joining the Group, Mr. Tsang held senior position in a Hong Kong listed company with wide range of property investment and development activities.

Mr. Wong Chun Hing, aged 47, is currently the director of Business Development of the Group's China Mainland operation in charge of licensing and business development operations. He is also the General Manager of the Group's Singapore apparel operation. Mr. Wong joined the Group in 2013 as an assistant of chief executive officer of the Group's China Mainland operation. He has solid experience in retailing and general management and is a graduate of the University of Hong Kong with a Bachelor Degree in Chemistry. Mr. Wong worked with the Hong Kong Jockey Club for over 10 years before joining the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

At 31st December 2024, the interests and short positions of each Director and Chief Executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Ordinary shares of the Company at 31st December 2024

Director		Number of shares held			Percentage to total issued share capital
		Personal interests	Other interests (note)	Total	
Tsang Chi Ming, Ricky	Long positions	1,404,000	613,034,750	614,438,750	63.09%
	Short positions	–	–	–	–

Note: The shareholding disclosed by Mr. Tsang Chi Ming, Ricky under the heading "Other interests" in the above table refer to the same shares which was held by Hin Chi Family Management Limited (being trustee of the Tsang Hin Chi (2007) Family Settlement) as disclosed in the paragraph headed "Substantial Shareholders" below.

Other than those interests and short positions disclosed above, (a) the Director and the Chief Executive also holds shares of certain subsidiaries in trust for the Company solely for the purpose of ensuring that the relevant subsidiary has more than one member; (b) 1 share and 450,000 shares of the non-voting deferred shares of Goldlion (Far East) Limited (which ordinary shares are wholly owned by the Group) were held by Mr. Tsang Chi Ming, Ricky and Hin Chi Family Management Limited (as trustee of The Tsang Hin Chi (2007) Family Settlement) respectively. Mr. Tsang Chi Ming, Ricky is a discretionary beneficiary of the said trust and is deemed to be interested in such 450,000 shares held by Hin Chi Family Management Limited. Non-voting deferred shares of Goldlion (Far East) Limited do not entitle the holders to receive notice of or to attend vote at its general meeting, and to participate in the distribution of its profit.

(b) Save as disclosed above, as at 31st December 2024, none of the Directors and the Chief Executive of the Company has or is deemed to have any interest or short position in the shares, underlying shares and debentures of the Company, its specified undertakings and its other associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code.

(c) Save as disclosed above, at no time during the year ended 31st December 2024 was the Company, its subsidiaries or its other associated corporations a party to any arrangements to enable the Directors and the Chief Executive of the Company (including their spouses and children under the age of 18) to acquire benefits by means of the acquisition of shares or underlying shares in or debentures of the Company or its specified undertakings or other associated corporation.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders maintained under section 336 of Part XV of the SFO shows that as at 31st December 2024, the Company has been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital.

Name of holder of securities	Type of securities		Number of shares held	Percentage to total issued share capital
Hin Chi Family Management Limited (note 1)	Ordinary shares	Long positions	613,034,750	62.95%
		Short positions	–	–
Top Grade Holdings Limited (note 1)	Ordinary shares	Long positions	613,034,750	62.95%
		Short positions	–	–
Silver Disk Limited (note 1)	Ordinary shares	Long positions	160,616,000	16.49%
		Short positions	–	–
Tsang Hin Chi Charities (Management) Limited (note 2)	Ordinary shares	Long positions	53,880,750	5.53%
		Short positions	–	–
FMR LLC	Ordinary shares	Long positions	53,160,331	5.46%
		Short positions	–	–

Notes:

1. Hin Chi Family Management Limited as trustee of the Tsang Hin Chi (2007) Family Settlement, held all of the issued share capital of Top Grade Holdings Limited ("Top Grade"). Top Grade was deemed to be interested in a total of 613,034,750 shares, comprising 407,418,750 shares held by it, 160,616,000 shares held by Silver Disk Limited ("Silver Disk") and 45,000,000 shares held by Keysonic Development Limited ("Keysonic"). Each of Silver Disk and Keysonic is a wholly-owned subsidiary of Top Grade.

2. Tsang Hin Chi Charities (Management) Limited as trustee of The Tsang Hin Chi Charitable Foundation (a charitable trust granted tax exemption under section 88 of the Inland Revenue Ordinance, which is controlled by Mr. Tsang Chi Ming, Ricky) held 53,880,750 shares in the Company.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Other than as disclosed under the section "Connected Transactions" below, no transactions, arrangements and contracts of significance to which the Company's subsidiaries was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

The following transaction between a connected party (as defined in the Listing Rules) and the Group has been entered into and/or is ongoing and is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

(a) The Group paid professional fees of HK$320,000 to Equitas Capital Limited during the year in the ordinary course of its business. Mr. Ng Ming Wah, Charles, a non-executive Director of the Company, is the managing director and the principal shareholder of Equitas Capital Limited.

The related party transactions as disclosed under note 35(a) to the consolidated financial statements constitute connected transactions or continuing connected transactions under the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

There is no advance (including guarantee given by the Company and any of its subsidiaries), which is of non-trading nature, to any of the affiliated companies as at 31st December 2024 as defined under Chapter 13 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased 11% and 35% of its inventories from its largest supplier and five largest suppliers in aggregate respectively, and sold 3% and 8% of its goods to its largest customer and five largest customers in aggregate respectively.

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest (as defined in the Listing Rules) in these major suppliers and customers.

REPORT OF THE DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of more than 25% of the Company's issued shares at the latest practicable date prior to the issue of the annual report.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective associates are considered to have interests in a business which compete or are likely to compete, either directly or indirectly, with the Group's business pursuant to Rule 8.10 of the Listing Rules during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 56 to 71.

PROPOSED PRIVATIZATION AND SUBSEQUENT EVENTS

Details of the proposed privatization and subsequent events are set out in note 37 to the financial statements.

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision for the benefit of the Directors of the Company is currently in force and was in force throughout this year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

AUDITOR

The financial statements for the year ended 31st December 2024 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Mr. Tsang Chi Ming, Ricky
Chairman and Chief Executive Officer

Hong Kong, 14th March 2025

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

TO THE MEMBERS OF GOLDLION HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

OPINION

What we have audited

The consolidated financial statements of Goldlion Holdings Limited (the "Company") and its subsidiaries ("the Group"), which are set out on pages 87 to 155, comprise:

- the consolidated balance sheet as at 31st December 2024;
- the consolidated income statement 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 cash flow statement 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 31st December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the 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.

INDEPENDENT AUDITOR'S REPORT

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 summarized as follows:

- Net realizable value of inventories
- Valuation of investment properties

Key Audit Matter	How our audit addressed the Key Audit Matter
Net realizable value of inventories	
Refer to note 12 to the consolidated financial statements. The Group held inventories of HK$218 million as at 31st December 2024. When assessing the net realizable value of inventory at each period end, the Group consistently applies a provisioning methodology for slow moving inventory based on inventory ageing and makes specific provision for obsolete inventory. We focused on this area because the estimation of provision percentages applied to different aged inventory categories and the estimation of specific provision for obsolete inventory are subject to high degree of estimation uncertainty. The inherent risk in relation to net realizable value of inventory is considered significant as it involves significant judgment based on historical experience of selling products of similar nature through various sales channels as well as expectation of future sales under current market condition. These estimations are also subject to uncertainty as a result of change of market trends, customer preference and competitor actions.	We obtained an understanding of the management's internal control and assessment process of the net realizable value of inventory and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We examined the basis of the methodology with respect to inventory provision and evaluated, amongst others, the outcome of management's estimations in prior year, analysis and assessment made by management with respect to slow moving and obsolete inventory. We evaluated the assumptions and estimates applied by management to determine the provisioning percentages applicable to individual ageing category of inventory by testing the accuracy of historical information involved, comparing with current year and historical sales trends of similar products and performing sensitivity analysis on changes of major assumptions of future sales, such as sales through rate. We tested the accuracy of the ageing profile of the inventory used in the calculation of provision. We performed a recalculation of the inventory provision using the ageing profile of the inventory as at 31st December 2024 and the provision percentages determined by management. Based on the procedures described, we considered management's judgment and estimates, which formed the basis of the net realizable value of inventory, were reasonable and acceptable.

KEY AUDIT MATTERS *(continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
Refer to note 8 to the consolidated financial statements. The Group held investment properties of HK$2,605 million as at 31st December 2024 which were stated at fair values. The fair value losses from the investment properties for the year ended 31st December 2024 approximates to HK$27 million. We focused on this area because the aggregate carrying amounts represented approximately 51% of total assets of the Group as at 31st December 2024 and the fair values are dependent on the methodologies used and are sensitive to changes of inputs used in the valuations. Fair values of the Group's investment properties are supported by valuations performed by independent professional valuers. The valuers adopted the income capitalization approach, which took into account the rental values and gross reversionary yields, and direct comparison approach, which largely used unobservable inputs including market rent, yield, etc.	We obtained an understanding of the management's internal control and assessment process of the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We assessed the competency, capability and objectivity of the independent external valuers by considering their qualifications, relevant experience and relationship with the Group. We involved our internal valuation specialist in our discussion with the external valuers to understand the rationale of the chosen valuation methods and the assumptions applied; and based on which we assessed the appropriateness of the methodologies used and the reasonableness of assumptions applied, where applicable, we further compared, on a sample basis, the data inputs and assumptions used in the valuation models, such as gross reversionary yields and rental values, to market and industry data. Based on the procedures performed, we considered the methodologies used and key assumptions applied in the valuation of the Group's investment properties were supported by available evidence.

INDEPENDENT AUDITOR'S REPORT

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.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

The engagement partner on the audit resulting in this independent auditor's report is Pang Ho Yin.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14th March 2025

CONSOLIDATED BALANCE SHEET

As at 31st December 2024

	Note	As at 31st December 2024 HK$'000	As at 31st December 2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**211,196**	181,107
Right-of-use assets	7	**74,445**	92,222
Investment properties	8	**2,604,529**	2,686,658
Deferred income tax assets	20	**55,889**	55,873
		2,946,059	3,015,860
Current assets			
Property under development	10	**164,630**	103,214
Completed properties	11	**590,795**	651,481
Inventories	12	**217,723**	201,634
Trade receivables	14	**88,669**	99,729
Prepayments, deposits and other receivables	14	**52,571**	60,971
Contract assets	15	**30,693**	52,506
Tax recoverable		**3,491**	7,560
Restricted cash	16	**1,310**	10,208
Bank deposits	16	**734,144**	721,494
Cash and cash equivalents	16	**316,392**	357,099
		2,200,418	2,265,896
Total assets		**5,146,477**	5,281,756
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	17	**1,101,358**	1,101,358
Reserves	18	**3,245,797**	3,303,406
Owners of the Company		**4,347,155**	4,404,764
Non-controlling interests		**2,128**	–
Total equity		**4,349,283**	4,404,764

CONSOLIDATED BALANCE SHEET

As at 31st December 2024

	Note	As at 31st December 2024 HK$'000	As at 31st December 2023 HK$'000
LIABILITIES			
Non-current liabilities			
Other payables and accruals	19	**46,559**	30,995
Lease liabilities	21	**9,125**	22,829
Deferred income tax liabilities	20	**354,392**	375,325
		410,076	429,149
Current liabilities			
Trade payables	19	**49,557**	34,605
Other payables and accruals	19	**173,318**	172,470
Contract liabilities	15	**139,535**	211,129
Lease liabilities	21	**17,331**	21,432
Current income tax liabilities		**7,377**	8,207
		387,118	447,843
Total liabilities		**797,194**	876,992
Total equity and liabilities		**5,146,477**	5,281,756

The consolidated financial statements on pages 87 to 155 were approved by the Board of Directors on 14th March 2025 and were signed on its behalf by:

Mr. Tsang Chi Ming, Ricky
Chairman and Chief Executive Officer

Mr. Li Ka Fai, David
Director

The notes on pages 93 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2024

	Note	2024 HK$'000	2023 HK$'000
Turnover	5	**1,219,113**	1,331,456
Cost of sales	23	**(524,132)**	(572,941)
Gross profit		**694,981**	758,515
Other losses	22	**(27,362)**	(47,066)
Selling and marketing costs	23	**(431,341)**	(447,488)
Administrative expenses	23	**(155,777)**	(162,187)
Operating profit		**80,501**	101,774
Interest income	28	**25,681**	27,402
Interest expense	28	**(1,516)**	(1,743)
Profit before income tax		**104,666**	127,433
Income tax expense	29	**(11,560)**	(11,269)
Profit for the year		**93,106**	116,164
Attributable to:			
Owners of the Company		**93,097**	116,164
Non-controlling interests		**9**	–
Profit for the year		**93,106**	116,164
		HK cents	HK cents
Earnings per share for profit attributable to owners of the Company during the year			
– Basic and diluted	31	**9.56**	11.87

The notes on pages 93 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2024

	2024 HK$'000	2023 HK$'000
Profit for the year	**93,106**	116,164
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property, plant and equipment upon reclassification to investment property	**7,982**	874
Change in fair value of financial assets at fair value through other comprehensive income	**–**	190
Income tax relating to these items	**(215)**	(273)
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	**(100,042)**	(71,528)
Other comprehensive income for the year	**(92,275)**	(70,737)
Total comprehensive income for the year	**831**	45,427
Attributable to:		
Owners of the Company	**822**	45,427
Non-controlling interests	**9**	–
Total comprehensive income for the year	**831**	45,427

The notes on pages 93 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2024

	Attributable to owners of the Company					
	Share capital HK$'000	Other reserves (note 18) HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1st January 2023	1,101,358	311,714	3,034,311	4,447,383	–	4,447,383
Comprehensive income						
Profit for the year	–	–	116,164	116,164	–	116,164
Other comprehensive income						
Revaluation of property, plant and equipment upon reclassification to investment property	–	655	–	655	–	655
Change in fair value of financial assets at fair value through other comprehensive income	–	136	–	136	–	136
Currency translation differences	–	(71,528)	–	(71,528)	–	(71,528)
Total other comprehensive income for the year	–	(70,737)	–	(70,737)	–	(70,737)
Total comprehensive income for the year	–	(70,737)	116,164	45,427	–	45,427
Ordinary shares repurchased and cancelled (note 17, 18)	–	–	(4,879)	(4,879)	–	(4,879)
Appropriation to reserves (note 18(i))	–	164	(164)	–	–	–
Final dividend relating to 2022	–	–	(48,922)	(48,922)	–	(48,922)
Interim dividend relating to 2023 (note 30)	–	–	(34,245)	(34,245)	–	(34,245)
Total transactions	–	164	(88,210)	(88,046)	–	(88,046)
Balance at 31st December 2023	1,101,358	241,141	3,062,265	4,404,764	–	4,404,764
Balance at 1st January 2024	**1,101,358**	**241,141**	**3,062,265**	**4,404,764**	**–**	**4,404,764**
Comprehensive income						
Profit for the year	**–**	**–**	**93,097**	**93,097**	**9**	**93,106**
Other comprehensive income						
Revaluation of property, plant and equipment upon reclassification to investment property	**–**	**7,767**	**–**	**7,767**	**–**	**7,767**
Currency translation differences	**–**	**(100,042)**	**–**	**(100,042)**	**–**	**(100,042)**
Total other comprehensive income for the year	**–**	**(92,275)**	**–**	**(92,275)**	**–**	**(92,275)**
Total comprehensive income for the year	**–**	**(92,275)**	**93,097**	**822**	**9**	**831**
Appropriation to reserves (note 18(i))	**–**	**155**	**(155)**	**–**	**–**	**–**
Final dividend relating to 2023 (note 30)	**–**	**–**	**(38,954)**	**(38,954)**	**–**	**(38,954)**
Interim dividend relating to 2024 (note 30)	**–**	**–**	**(19,477)**	**(19,477)**	**–**	**(19,477)**
Contribution from non-controlling interests of a subsidiary	**–**	**–**	**–**	**–**	**2,119**	**2,119**
Total transactions	**–**	**155**	**(58,586)**	**(58,431)**	**2,119**	**(56,312)**
Balance at 31st December 2024	**1,101,358**	**149,021**	**3,096,776**	**4,347,155**	**2,128**	**4,349,283**

The notes on pages 93 to 155 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2024

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Cash generated from operations	32(a)	**117,659**	116,091
Interest paid	28	**(1,516)**	(1,743)
Income tax paid		**(17,994)**	(48,404)
Net cash generated from operating activities		**98,149**	65,944
Cash flows from investing activities			
Purchases of property, plant and equipment	6	**(51,746)**	(44,619)
Additions to investment properties	8	**(5,943)**	(7,612)
Proceeds from disposals of property, plant and equipment	32(a)(i)	**199**	1,399
Proceed from sale of financial assets at fair value through other comprehensive income		**–**	5,500
Decrease in restricted cash		**8,898**	15,978
(Increase)/decrease in bank deposits with maturity over 3 months		**(27,572)**	106,164
Interest received		**27,702**	22,901
Net cash (used in)/generated from investing activities		**(48,462)**	99,711
Cash flows from financing activities			
Payment on repurchase of shares	17	**–**	(4,839)
Principal elements of lease payments	32(c)	**(21,295)**	(19,574)
Dividends paid to owners of the Company		**(58,431)**	(83,167)
Transaction costs attributable to repurchase of shares	17	**–**	(40)
Contribution from non-controlling interests of a subsidiary		**2,119**	–
Net cash used in financing activities		**(77,607)**	(107,620)
Net (decrease)/increase in cash and cash equivalents		**(27,920)**	58,035
Cash and cash equivalents at 1st January		**357,099**	309,805
Effect of foreign exchange rate changes		**(12,787)**	(10,741)
Cash and cash equivalents at 31st December	16	**316,392**	357,099

The notes on pages 93 to 155 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in note 9 to the financial statements.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 7th floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong SAR.

The Company is listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 14th March 2025.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance (Cap. 622). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income ("FVOCI").

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

The preparation of consolidated financial statements in conformity with HKFRS 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 4.

(a) The amended standards and new interpretation effective in 2024 but not relevant to the Group

HKAS 1 (Amendments)	Classification of liabilities as current or non-current
HKAS 1 (Amendments)	Non-current liabilities with covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements
HKFRS 16 (Amendments)	Lease liability in a sale and leaseback
HK (IFRIC) – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The above amended standards and new interpretation did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

2 BASIS OF PREPARATION *(continued)*

(b) The following new and amended standards and Interpretations have been issued but are not effective for the financial year beginning on 1st January 2024 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of exchangeability	1st January 2025
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1st January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Classification and measurement of financial instruments	1st January 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established
HKFRS 18	Presentation and disclosure in financial statements	1st January 2027
HKFRS 19	Subsidiaries without public accountability: Disclosures	1st January 2027
HK (IFRIC) – Int 5 (Amendments)	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1st January 2027

The above new and amended standards and interpretations are not expected to have a material impact on the consolidated financial statements of the Group.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow 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 minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of an asset, liability or highly probable forecast transaction denominated in foreign currency will fluctuate because of changes in foreign exchange rates. The Group operates in various regions and is exposed to foreign exchange risk primarily arising from bank deposits, cash and cash equivalents, trade receivables and interest receivables which are denominated in Renminbi and Singapore dollar, and net investments in foreign subsidiaries in China Mainland and Singapore.

At 31st December 2024, if Hong Kong dollar had weakened/strengthened by 4% against Renminbi with all other variables held constant, post-tax profit for the year would have been HK$2,718,000 (2023: HK$648,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Renminbi denominated bank deposits, cash and cash equivalents, trade receivables and interest receivables.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(i) Foreign exchange risk (continued)

Management believes that the appreciation/depreciation of Singapore dollar against Hong Kong dollar would not have a material effect on the Group's post-tax profit for the year. Therefore, no sensitivity analysis for Singapore dollar is presented.

(ii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates, except for the interest income derived from bank deposits. Apart from bank deposits, the Group has no significant interest-bearing assets or liabilities.

(b) Credit risk

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is managed on a group basis and individual basis. Credit risk arises from cash and cash equivalents, restricted cash and deposits with banks, credit exposures to wholesale and retail customers and other parties, including outstanding receivables and deposits and other receivables.

(i) Risk management

The Group limits its exposure to credit risk by rigorously selecting its counterparties including the deposit-takers and debtors and by diversification. Bank deposits are placed only with major and sizeable banks approved by the Board from time to time and there is no significant concentration risk to a single counterparty.

For properties that are still under construction and the buyers choose to pay by bank mortgage, the Group typically provides guarantees to banks in connection with the buyers' borrowing of mortgage loans to finance their purchases of the properties. If a buyer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the buyer's deposits and sell the property to recover any amounts paid by the Group to the bank. The Directors of the Company consider the credit risk exposure to guarantees provided to bank is limited unless the selling price would drop by more than guaranteed amounts. In this regard, the Directors of the Company consider that the Group's credit risk is largely mitigated.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(i) Risk management (continued)

The Group has arranged bank financing for certain buyers of property units and provided guarantees to secure obligations of such buyers for repayments. Detailed disclosure of these guarantees is made in note 33. No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these counterparties.

The Group mitigates its exposure to risks relating to trade receivables by its established procedures in granting credit only to customers with sound credit track records. Sales to retail customers are settled in cash or using major credit cards, Alipay or WeChat Pay. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

As at 31st December 2024, the financial assets of the Group that are exposed to credit risk and their maximum exposures are as follows:

	As at 31st December 2024		As at 31st December 2023	
	Carrying amount in balance sheet HK$'000	**Maximum exposure to credit risk HK$'000**	Carrying amount in balance sheet HK$'000	Maximum exposure to credit risk HK$'000
Financial assets:				
Trade receivables	**88,669**	**88,669**	99,729	99,729
Deposits and other receivables	**27,864**	**27,864**	30,381	30,381
Restricted cash, bank deposits and cash and cash equivalents	**1,051,846**	**1,051,823**	1,088,801	1,088,777

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

(ii) Impairment of financial assets

Cash and cash equivalents and pledged bank deposits are also subject to the impairment requirements under HKFRS 9, yet the identified impairment loss is immaterial because the Group only transacts with state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC.

Trade receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets without financing components.

To measure the ECL, trade receivables have been grouped based on the settlement profiles of customers, shared credit risk characteristics and the days past due. The contract assets arise from the right to recover products from customer on settling right of return obligation. The Group has therefore concluded that the loss rates for contract assets should be considered separately from trade receivables and measured the loss rates for contract assets by products return profiles of customers.

The expected loss rates are based on the payment profiles of sales and products return profiles over a period of 24 months before 1st January 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

In respect of trade receivables, the ECL is determined according to a provision matrix where receivables balances are provided for at a weight average expected loss rate of 1%, 3% and 11% (2023: 2%, 5% and 17%) for ageing of trade receivables based on invoice date between 1 to 90 days, between 91 to 180 days and over 181 days, respectively. In respect of contract assets, ECL rate is assessed to be close to zero as at 31st December 2024 because the historical default rates of return are immaterial.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group.

Other receivables and deposits

Other receivables and deposits are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime ECL. As at 31st December 2024, no impairment loss of deposits and other receivables was identified.

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(c) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities. Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Company employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the working capital of the Group to ensure that all liabilities due and known funding requirements could be met. There were no available banking facilities as at 31st December 2024 (2023: nil).

The table below analyzes the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	As at 31st December 2024				
	Less than 1 year HK$'000	Between 1 year and 2 years HK$'000	Between 2 years and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities:					
Trade payables	49,557	–	–	–	49,557
Other payables	31,408	14,095	9,820	971	56,294
Lease liabilities	18,009	7,433	1,923	–	27,365
Guarantees of mortgage facilities	3,981	–	–	–	3,981
	102,955	21,528	11,743	971	137,197

	As at 31st December 2023				
	Less than 1 year HK$'000	Between 1 year and 2 years HK$'000	Between 2 years and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities:					
Trade payables	34,605	–	–	–	34,605
Other payables	27,673	10,758	17,045	2,387	57,863
Lease liabilities	22,853	16,774	6,796	–	46,423
Guarantees of mortgage facilities	20,364	–	–	–	20,364
	105,495	27,532	23,841	2,387	159,255

3 FINANCIAL RISK MANAGEMENT *(continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase the Company's shares or sell assets.

The Group monitors capital on the basis of the gearing ratio. Gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total lease liabilities less restricted cash, bank deposits and cash and cash equivalents. The gearing ratios at 31st December 2024 and 2023 were as follows:

	2024 **HK$'000**	2023 HK$'000
Total lease liabilities (note 21)	**26,456**	44,261
Less: restricted cash, bank deposits and cash and cash equivalents (note 16)	**(1,051,846)**	(1,088,801)
Net cash	**(1,025,390)**	(1,044,540)
Total equity	**4,349,283**	4,404,764
Gearing ratio	**–**	–

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

4.1 Critical accounting estimates and assumptions

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 year are discussed below.

(a) Write-down of inventories, property under development and completed properties to net realizable value

Net realizable value of inventories, property under development and completed properties are the estimated selling prices in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of change in customer taste and competitor actions in response to severe industry cycle. The Group reassesses these estimates at each balance sheet date.

(b) Estimate of fair value of investment properties

The fair values of investment properties are determined by using valuation techniques. Details of the judgments and assumptions involved are disclosed in note 8.

(c) Income taxes

The Group is subject to income taxes in a number of different jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilization may be different.

(d) Useful lives and residual values of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will increase the depreciation charge prospectively where useful lives are less than previously estimated lives. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in the future periods.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

4.1 Critical accounting estimates and assumptions *(continued)*

(e) Recognition of right of return obligation

Right of return obligation is recorded based on the estimated expected sales amount in future and they are recorded when the relevant sales of goods are recognized or when there are other contractual obligations on sales return. The Group estimates the sales return provision based on contractually bound sales return amount, special sales return credit granted during the year and past experience as basis to provide for amount of sales returns at each financial report date.

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, including, among others, the economic impact of the unprecedented COVID-19 on the operations of the Group and the countries in which it operates. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair values less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the assets in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's reported balance sheet and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the statement of profit or loss.

(g) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical and 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 note 3.1.

5 OPERATING SEGMENTS

The Group has three reportable segments. The segments are managed separately as each business segment offers different products and services and requires different marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

Apparel in China Mainland and Hong Kong SAR – Distribution and manufacturing of garments, leather goods and accessories and licensing of brand name in China Mainland and Hong Kong SAR.

Apparel in Singapore – Distribution and manufacturing of garments, leather goods and accessories in Singapore.

Property investment and development – Investment in and development of properties in China Mainland, Hong Kong SAR and Singapore.

The Group reports the results of its operating segments based on the internal reports reviewed by the chief operating decision maker for the purpose of making strategic decisions.

5 OPERATING SEGMENTS *(continued)*

(a) Reportable segment profit before income tax and other selected financial information by operating segment

	2024					
	Apparel in China Mainland and Hong Kong SAR HK$'000	Apparel in Singapore HK$'000	Property investment and development HK$'000	Segment total HK$'000	Other and Elimination HK$'000	Group HK$'000
Turnover	947,687	33,866	236,432	1,217,985	1,128	1,219,113
Inter-segment sales	843	–	11,489	12,332	(12,332)	–
	948,530	33,866	247,921	1,230,317	(11,204)	1,219,113
Segment results	56,456	(5,363)	86,208	137,301	544	137,845
Unallocated costs						(33,179)
Profit before income tax						104,666
Income tax expense						(11,560)
Profit for the year						93,106
Interest income	8,849	–	2,094	10,943	14,738	25,681
Depreciation of property, plant and equipment	23,942	1,132	3,838	28,912	3,278	32,190
Depreciation of right-of-use assets	16,342	3,839	221	20,402	62	20,464
Impairment of property, plant and equipment	–	227	–	227	–	227
Impairment of right-of-use assets	2,133	888	–	3,021	–	3,021
Reportable segment assets:						
Property, plant and equipment	172,148	4,035	22,736	198,919	12,277	211,196
Right-of-use assets	65,797	2,960	5,528	74,285	160	74,445
Investment properties	–	–	2,604,529	2,604,529	–	2,604,529
Deferred income tax assets	–	–	–	–	55,889	55,889
Property under development	–	–	164,630	164,630	–	164,630
Completed properties	–	–	590,795	590,795	–	590,795
Inventories	207,198	10,525	–	217,723	–	217,723
Restricted cash, bank deposits and cash and cash equivalents	453,333	295	359,538	813,166	238,680	1,051,846
Contract assets	30,693	–	–	30,693	–	30,693
Others	109,066	4,746	20,611	134,423	10,308	144,731
Reportable segment liabilities:						
Trade payables	48,671	780	87	49,538	19	49,557
Other payables and accruals	72,669	2,168	129,581	204,418	15,459	219,877
Contract liabilities	127,370	–	12,165	139,535	–	139,535
Lease liabilities	22,501	3,693	92	26,286	170	26,456
Current income tax liabilities	–	–	–	–	7,377	7,377
Deferred income tax liabilities	–	–	–	–	354,392	354,392
Capital expenditure	33,107	1,272	15,492	49,871	7,818	57,689

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

5 OPERATING SEGMENTS *(continued)*

(a) Reportable segment profit before income tax and other selected financial information by operating segment *(continued)*

	2023					
	Apparel in China Mainland and Hong Kong SAR HK$'000	Apparel in Singapore HK$'000	Property investment and development HK$'000	Segment total HK$'000	Other and Elimination HK$'000	Group HK$'000
Turnover	1,009,522	35,674	286,260	1,331,456	–	1,331,456
Inter-segment sales	1,038	–	11,117	12,155	(12,155)	–
	1,010,560	35,674	297,377	1,343,611	(12,155)	1,331,456
Segment results	78,973	(2,754)	82,441	158,660	–	158,660
Unallocated costs						(31,227)
Profit before income tax						127,433
Income tax expense						(11,269)
Profit for the year						116,164
Interest income	11,330	–	2,143	13,473	13,929	27,402
Depreciation of property, plant and equipment	20,329	734	3,581	24,644	2,057	26,701
Depreciation of right-of-use assets	15,338	3,160	228	18,726	62	18,788
Impairment of right-of-use assets	1,821	–	–	1,821	–	1,821
Reportable segment assets:						
Property, plant and equipment	151,714	4,632	19,763	176,109	4,998	181,107
Right-of-use assets	78,164	7,872	5,964	92,000	222	92,222
Investment properties	–	–	2,686,658	2,686,658	–	2,686,658
Deferred income tax assets	–	–	–	–	55,873	55,873
Property under development	–	–	103,214	103,214	–	103,214
Completed properties	–	–	651,481	651,481	–	651,481
Inventories	190,291	11,343	–	201,634	–	201,634
Restricted cash, bank deposits and cash and cash equivalents	563,573	1,497	294,111	859,181	229,620	1,088,801
Contract assets	52,506	–	–	52,506	–	52,506
Others	125,315	5,911	19,272	150,498	17,762	168,260
Reportable segment liabilities:						
Trade payables	32,137	2,228	206	34,571	34	34,605
Other payables and accruals	57,761	1,957	128,325	188,043	15,422	203,465
Contract liabilities	183,655	–	27,474	211,129	–	211,129
Lease liabilities	36,054	7,917	–	43,971	290	44,261
Current income tax liabilities	–	–	–	–	8,207	8,207
Deferred income tax liabilities	–	–	–	–	375,325	375,325
Capital expenditure	40,941	1,526	8,475	50,942	1,289	52,231

5 OPERATING SEGMENTS *(continued)*

(a) Reportable segment profit before income tax and other selected financial information by operating segment *(continued)*

Central costs (mainly costs of support functions that centrally provide services to all of the operating segments) are included as unallocated costs. Taxation charge is not allocated to reportable segments.

(b) Geographical information

The Group's turnover from external customers is derived from the following geographical areas:

	2024	2023
	HK$'000	HK$'000
China Mainland	**1,124,723**	1,234,264
Hong Kong SAR	**58,952**	60,274
Singapore	**35,438**	36,918
	1,219,113	1,331,456

The Group's non-current assets (excluding deferred income tax assets) by geographical location are detailed below:

	2024	2023
	HK$'000	HK$'000
China Mainland	**1,595,818**	1,679,683
Hong Kong SAR	**1,230,984**	1,217,944
Singapore	**63,368**	62,360
	2,890,170	2,959,987

(c) Information about major customers

In 2024 and 2023, the revenue from the Group's largest customer amounted to less than 10 per cent of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

5 OPERATING SEGMENTS *(continued)*

(d) Disaggregation of revenue

	2024 HK$'000	2023 HK$'000
Revenue recognized under HKFRS 15		
Sales of goods	**897,407**	952,064
Sales of properties	**49,246**	92,621
Building management fees	**41,183**	42,150
Licensing income	**84,146**	93,132
Sales of electricity	**1,128**	–
	1,073,110	1,179,967
Revenue recognized under other accounting standards		
Rental income from investment properties	**146,003**	151,489
	1,219,113	1,331,456
Timing of revenue recognition under HKFRS 15		
At a point in time	**960,814**	1,061,827
Over time	**112,296**	118,140
	1,073,110	1,179,967

5 OPERATING SEGMENTS *(continued)*

Accounting policies of revenue recognition

(a) Sale of goods – wholesale

The Group manufactures and sells a range of garments, leather goods and accessories to distributors. Sales are recognized when control of the products has transferred, being when the products are delivered to the distributors, at a point in time.

The goods are often sold with volume discounts based on aggregate sales. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. A liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present. Sales return provisions are recorded based on the contracted return of goods. The Group estimates the sales return provision based on accumulated experience and the terms in the sales contracts with distributors.

(b) Sales of goods – retail

The Group sells garments, leather goods and accessories through chain of retail stores and e-commerce platform. Revenue from the sale of goods is recognized when a group entity sells a product to the customer, the point in time when the control of the goods has been transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the goods.

(c) Sales of properties

Revenue from the sales of properties is recognized in the income statement on the basis that control over the ownership of the property has been passed to the customer, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all the benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities.

(d) Rental income from investment properties

Rental income from investment properties is recognized on a straight-line basis over the period of the respective leases.

(e) Licensing income and building management fee

Licensing income and building management fee are recognized in the accounting period in which the services are rendered.

(f) Sales of electricity

Revenue from the sale of electricity is recognized when the electricity is supplied to and controlled by the customers or local grid company over the period.

(g) Contract liabilities

Contract liability is recognized when payments are received from customers in advance but the relevant performance obligation has not been performed.

A sales refund liability and a corresponding contract asset for the right of return goods are recognized in the consolidated balance sheet. The Group uses the expected value method to estimate the credit refund or return which best predicts the amount of reliable consideration to which the Group entitled.

The Group receives payments from customers in advance in pre-sales arrangement. Such proceeds from customers are recorded as contract liabilities before the relevant sales are recognized.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Construction in progress HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Computers HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1st January 2023							
Cost	291,082	–	57,841	112,334	47,334	23,754	532,345
Accumulated depreciation	(175,748)	–	(49,511)	(101,937)	(38,187)	(21,689)	(387,072)
Net book amount	115,334	–	8,330	10,397	9,147	2,065	145,273
Year ended 31st December 2023							
Opening net book amount	115,334	–	8,330	10,397	9,147	2,065	145,273
Additions	–	18,472	7,656	4,562	7,347	6,582	44,619
Disposals	–	–	(25)	–	(20)	(832)	(877)
Transfer from investment properties	8,021	–	–	–	–	–	8,021
Transfer to investment properties	(72)	–	–	–	–	–	(72)
Transfer from property under development	11,971	–	–	–	–	–	11,971
Depreciation	(17,948)	–	(717)	(3,554)	(3,151)	(1,331)	(26,701)
Exchange differences	(367)	–	(221)	(280)	(228)	(31)	(1,127)
Closing net book amount	116,939	18,472	15,023	11,125	13,095	6,453	181,107
At 31st December 2023 and 1st January 2024							
Cost	307,911	18,472	63,211	112,514	52,403	23,914	578,425
Accumulated depreciation	(190,972)	–	(48,188)	(101,389)	(39,308)	(17,461)	(397,318)
Net book amount	116,939	18,472	15,023	11,125	13,095	6,453	181,107
Year ended 31st December 2024							
Opening net book amount	**116,939**	**18,472**	**15,023**	**11,125**	**13,095**	**6,453**	**181,107**
Additions	**1,896**	**28,711**	**8,264**	**8,513**	**2,694**	**1,668**	**51,746**
Disposals	**–**	**–**	**–**	**–**	**(121)**	**(83)**	**(204)**
Transfer from investment properties	**15,535**	**–**	**–**	**–**	**–**	**–**	**15,535**
Transfer to investment properties	**(408)**	**–**	**–**	**–**	**–**	**–**	**(408)**
Transfer to right-of-use assets	**–**	**(934)**	**–**	**–**	**–**	**–**	**(934)**
Depreciation	**(20,445)**	**–**	**(1,083)**	**(6,016)**	**(3,232)**	**(1,414)**	**(32,190)**
Impairment loss	**–**	**–**	**–**	**(185)**	**(42)**	**–**	**(227)**
Exchange differences	**(926)**	**(672)**	**(613)**	**(473)**	**(444)**	**(101)**	**(3,229)**
Closing net book amount	**112,591**	**45,577**	**21,591**	**12,964**	**11,950**	**6,523**	**211,196**
At 31st December 2024							
Cost	**318,442**	**45,577**	**69,063**	**116,833**	**51,805**	**23,367**	**625,087**
Accumulated depreciation	**(205,851)**	**–**	**(47,472)**	**(103,869)**	**(39,855)**	**(16,844)**	**(413,891)**
Net book amount	**112,591**	**45,577**	**21,591**	**12,964**	**11,950**	**6,523**	**211,196**

6 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation expense of HK$1,596,000 (2023: HK$961,000) has been expensed in cost of sales, HK$6,891,000 (2023: HK$5,021,000) in selling and marketing costs and HK$23,703,000 (2023: HK$20,719,000) in administrative expenses.

Accounting policies of property, plant and equipment

Buildings comprise mainly factories, retail outlets and offices other than investment properties as mentioned in note 8. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated depreciation rates as follows:

Buildings	2% to 5%
Plant and machinery	5% to 20%
Furniture and fixtures	20% to 33%
Computers	20% to 33%
Motor vehicles	20% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date.

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 38.4).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

For property occupied by the Group as an owner-occupied property which becomes an investment property, the Group revalues such property on the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is dealt with in assets revaluation reserve.

The fair value at the date of the change in use is the deemed cost for subsequent accounting as investment properties. On disposal of the property, revaluation reserve is transferred to retained profits as a movement in reserves.

Construction in progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings and the costs of plant and machinery. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

7 RIGHT-OF-USE ASSETS

	2024 HK$'000	2023 HK$'000
At 1st January	92,222	87,053
Additions	10,354	15,788
Disposal	(2,475)	(97)
Transfer to investment properties	(9,504)	–
Transfer from investment properties	8,940	8,226
Transfer from property under development	–	3,452
Transfer from property, plant and equipment	934	–
Depreciation	(20,464)	(18,788)
Impairment loss	(3,021)	(1,821)
Exchange differences	(2,541)	(1,591)
At 31st December	74,445	92,222

The recognized right-of-use assets relate to the following types of assets:

	2024 HK$'000	2023 HK$'000
Land use rights in China Mainland	53,751	57,484
Buildings	20,178	34,111
Machinery and equipment	217	364
Furniture and fixtures	114	263
Motor vehicle	185	–
	74,445	92,222

Depreciation charge of right-of-use assets:

	2024 HK$'000	2023 HK$'000
Land use rights in China Mainland	2,641	2,579
Buildings	17,485	15,896
Machinery and equipment	143	145
Furniture and fixtures	102	71
Motor vehicle	93	97
	20,464	18,788

7 RIGHT-OF-USE ASSETS *(continued)*

Impairment assessment of plant and equipment and right-of-use assets

Management has performed an assessment on the Group's non-current assets, primarily comprising plant and equipment and right-of-use assets as at 31st December 2024. In this connection, management reviewed the results of operation of each retail store, representing different cash-generating units ("CGUs") in determining whether any impairment indicator exists with each of the CGUs under review. For those retail stores where an impairment indicator was noted, management assessed the recoverable amount of the CGU based on value-in-use calculation using projected cashflow over the lease term of each retail store.

The determination of the value-in-use calculation of the relevant CGU involves the use of assumptions and estimations such as change in revenue, change in operating cost and change in gross profit. Discount rate of 6.2% (2023: 10.1%) is adopted in the impairment assessment, which was determined based on the market's weighted average cost of capital.

The results of the assessment indicated that impairment provision of HK$3,021,000 (2023: HK$1,821,000) and HK$227,000 (2023: nil) (note 6) on right-of-use assets and property, plant and equipment respectively were made during the year. Impairment losses of HK$3,248,000 (2023: HK$1,821,000) were included in selling and marketing costs in the consolidated income statement.

Accounting policies of leases

Leases are recognized 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.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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 other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

7 RIGHT-OF-USE ASSETS *(continued)*

Accounting policies of leases *(continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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
- 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 recognized 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. Low-value assets comprise IT-equipment and small items of office furniture.

(a) Variable lease payments

Estimation uncertainty arising from variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. There is a wide range of sales percentages applied for different stores. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(b) Extension and termination options

Extension and termination options are included in certain property and equipment leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

8 INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
At 1st January	**2,686,658**	2,775,582
Additions	**5,943**	7,612
Transfer from property under development	**–**	6,498
Transfer from completed properties	**357**	–
Transfer from property, plant and equipment and right-of-use assets (note)	**17,894**	946
Transfer to property, plant and equipment and right-of-use assets	**(24,475)**	(16,247)
Fair value losses (note 22)	**(27,362)**	(47,066)
Exchange differences	**(54,486)**	(40,667)
At 31st December	**2,604,529**	2,686,658

Note:

The transfer comprised of property, plant and equipment and right-of-use assets to investment property of HK$408,000 (note 6) and HK$9,504,000 (note 7) (2023: The transfer comprised of property, plant and equipment to investment property of HK$72,000) and the related revaluation amount of HK$7,982,000 (2023: HK$874,000) which was included in the consolidated statement of comprehensive income for the year.

The Group's interests in investment properties are analyzed as follows:

	2024 HK$'000	2023 HK$'000
In Hong Kong, held on:		
Leases of over 50 years	**257,600**	255,100
Leases of between 10 and 50 years	**935,400**	925,900
Outside Hong Kong, held on:		
Leases of over 50 years	**5,024**	3,883
Leases of between 10 and 50 years	**1,350,132**	1,451,920
Freehold outside Hong Kong	**56,373**	49,855
	2,604,529	2,686,658

The periods of leases whereby the Group leases out its investment properties range from 1 month to 120 months.

Independent valuations of the Group's investment properties were performed by the independent professional valuers, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Jones Lang LaSalle Property Consultants Pte Ltd, to determine the fair values of the investment properties as at 31st December 2024 and 2023 (2023: except for an investment property under construction located outside Hong Kong accounted for at cost amounting to HK$3,883,000). The fair value losses were included in "Other losses" in income statement (note 22). The following table analyzes the investment properties carried at fair value, by valuation method.

For the year ended 31st December 2024

8 INVESTMENT PROPERTIES *(continued)*

Fair value hierarchy

Description	Fair value measurements at 31st December 2024 using		
	Quoted prices in active markets for identical assets (Level 1) HK$'000	**Significant other observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**
Recurring fair value measurements			
Investment properties:			
– Hong Kong	**–**	**–**	**1,193,000**
– China Mainland	**–**	**–**	**1,355,156**
– Singapore	**–**	**–**	**56,373**

Description	Fair value measurements at 31st December 2023 using		
	Quoted prices in active markets for identical assets (Level 1) HK$'000	Significant other observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000
Recurring fair value measurements			
Investment properties:			
– Hong Kong	–	–	1,181,000
– China Mainland	–	–	1,451,920
– Singapore	–	–	49,855

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the year.

8 INVESTMENT PROPERTIES *(continued)*

Fair value measurements using significant unobservable inputs (Level 3)

	Hong Kong HK$'000	**China Mainland HK$'000**	**Singapore HK$'000**	**Total HK$'000**
At 1st January 2024	**1,181,000**	**1,451,920**	**49,855**	**2,682,775**
Additions	**3,508**	**2,435**	**–**	**5,943**
Property under development completed	**–**	**3,883**	**–**	**3,883**
Transfer from completed properties	**–**	**357**	**–**	**357**
Transfer from property, plant and equipment and right-of-use assets	**–**	**10,412**	**7,482**	**17,894**
Transfer to property, plant and equipment and right-of-use assets	**–**	**(24,475)**	**–**	**(24,475)**
Fair value gains/(losses)	**8,492**	**(36,724)**	**870**	**(27,362)**
Exchange differences	**–**	**(52,652)**	**(1,834)**	**(54,486)**
At 31st December 2024	**1,193,000**	**1,355,156**	**56,373**	**2,604,529**

	Hong Kong HK$'000	China Mainland HK$'000	Singapore HK$'000	Total HK$'000
At 1st January 2023	1,168,700	1,559,976	45,530	2,774,206
Additions	3,601	1,467	–	5,068
Transfer from property under development	–	6,498	–	6,498
Transfer from property, plant and equipment and right-of-use assets	–	946	–	946
Transfer to property, plant and equipment and right-of-use assets	–	(16,247)	–	(16,247)
Fair value gains/(losses)	8,699	(59,305)	3,540	(47,066)
Exchange differences	–	(41,415)	785	(40,630)
At 31st December 2023	1,181,000	1,451,920	49,855	2,682,775

8 INVESTMENT PROPERTIES *(continued)*

Valuation techniques

The valuations were based on:

(a) Income capitalization approach (term and reversionary method) taking into account the significant adjustment on term yield to account for the risk upon reversionary after expiry of current lease and adjustment on rental value to account for the actual location, type and quality of the properties and supported by the terms of any existence lease, other contracts and external evidence such as current market rents for similar properties (Level 3 approach).

(b) Direct comparison approach which largely used unobservable inputs and made reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as time, locations and building quality (Level 3 approach).

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31st December 2024 HK$'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties – China Mainland	**1,355,156**	Income capitalization approach (term and reversionary method)	Monthly rental value	RMB12.5–700/m^2	The higher the assumed monthly rental value, the higher the fair value
			Gross reversionary yield	2% to 8% p.a.	The higher the assumed reversionary yield, the lower the fair value
Investment properties – Hong Kong	**1,193,000**	Income capitalization approach (term and reversionary method)	Monthly rental value	HK$95–132/$m^2$	The higher the assumed monthly rental value, the higher the fair value
			Gross reversionary yield	4.15% to 4.4% p.a.	The higher the assumed reversionary yield, the lower the fair value
Investment properties – Singapore	**56,373**	Direct comparison approach	Price per square meter	S$7,491–8,264/$m^2$	The higher the assumed price per square meter, the higher the fair value

8 INVESTMENT PROPERTIES *(continued)*

Information about fair value measurements using significant unobservable inputs (Level 3) *(continued)*

Description	Fair value at 31st December 2023 HK$'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties – China Mainland	1,451,920	Income capitalization approach (term and reversionary method)	Monthly rental value	RMB10–700/m^2	The higher the assumed monthly rental value, the higher the fair value
			Gross reversionary yield	2.3% to 8% p.a.	The higher the assumed reversionary yield, the lower the fair value
Investment properties – Hong Kong	1,181,000	Income capitalization approach (term and reversionary method)	Monthly rental value	HK$94–131/$m^2$	The higher the assumed monthly rental value, the higher the fair value
			Gross reversionary yield	4.15% to 4.4% p.a.	The higher the assumed reversionary yield, the lower the fair value
Investment properties – Singapore	49,855	Direct comparison approach	Price per square meter	S$7,214–9,158/$m^2$	The higher the assumed price per square meter, the higher the fair value

8 INVESTMENT PROPERTIES *(continued)*

Accounting policies of investment properties

Investment properties, principally comprising leasehold land, land use right and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. They also include properties that are being constructed or developed for future use as investment properties. Land held under operating leases is classified and accounted for as investment properties when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment properties are measured initially at their costs, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the income statement as part of other losses.

For investment property under construction, in the event whereby the presumption for the Group to measure such property at fair value is rebutted because the fair value is not reliably measurable but expect so when construction is complete, the Group measure that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed, whichever is earlier.

Accounting policies in related to the transfer from owner-occupied property to investment property are disclosed in note 6. Right-of-use assets are transferred to investment property when there is change in use from owner-occupied property to held for long-term rental yields or for capital appreciation or both. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met.

9 SUBSIDIARIES

The following is a list of principal subsidiaries, which in the opinion of the Directors, are significant to the results and net assets of the Group:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Group's equity interest 2024	Group's equity interest 2023
Goldlion (China) Limited[2]	PRC Limited liability company	Distribution and manufacturing of garments in the PRC	US$18,000,000 (2023: US$18,000,000)	**100%**	100%
Goldlion Clothes Making Company Limited[2]	PRC Limited liability company	Distribution and manufacturing of garments in the PRC	US$6,934,000 (2023: US$6,934,000)	**100%**	100%
Goldlion Enterprise (Singapore) Pte Limited	Singapore Limited liability company	Distribution of garments in Singapore	10,000 ordinary shares of S$100 each (2023: 10,000 ordinary shares of S$100 each)	**100%**	100%
Goldlion (Far East) Limited	Hong Kong Limited liability company	Distribution of garments and property holding in Hong Kong, and licensing of brand name in the PRC	2 ordinary shares and 500,000 non-voting deferred shares (2023: 2 ordinary shares and 500,000 non-voting deferred shares)	**100%**	100%
Goldlion Group (B.V.I.) Limited[1]	British Virgin Islands Limited liability company	Investment holding in Hong Kong	10,000 ordinary shares of US$1 each (2023: 10,000 ordinary shares of US$1 each)	**100%**	100%
Goldlion (Guangdong) Limited	Hong Kong Limited liability company	Investment holding in Hong Kong	2 ordinary shares (2023: 2 ordinary shares)	**100%**	100%
Guangzhou Goldlion Investment Consultancy Company Limited[2]	PRC Limited liability company	Property holding in the PRC	HK$10,000,000 (2023: HK$10,000,000)	**100%**	100%
Hallman Properties Limited	British Virgin Islands Limited liability company	Investment holding in the British Virgin Islands	50,000 ordinary shares of US$1 each (2023: 50,000 ordinary shares of US$1 each)	**100%**	100%

9 SUBSIDIARIES *(continued)*

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Group's equity interest 2024	Group's equity interest 2023
Renard Investments Limited	British Virgin Islands Limited liability company	Property holding in Hong Kong	2 ordinary shares of HK$1 each and 59,999,998 redeemable shares of HK$1 each (2023: 2 ordinary shares of HK$1 each and 59,999,998 redeemable shares of HK$1 each)	**100%**	100%
Meizhou Silver Dip Property Management Limited(2)	PRC Limited liability company	Property management in the PRC	RMB595,000 (2023: RMB595,000)	**100%**	100%
Shenyang Goldlion Commercial Mansion Limited(2)	PRC Limited liability company	Property holding in the PRC	RMB70,000,000 (2023: RMB70,000,000)	**100%**	100%
Rich Smart Resources Limited	Hong Kong Limited liability company	Property holding in Hong Kong	2 ordinary shares (2023: 2 ordinary shares)	**100%**	100%
Smart View Investment Limited	Hong Kong Limited liability company	Investment holding in Hong Kong	2 ordinary shares (2023: 2 ordinary shares)	**100%**	100%
Meizhou Goldlion Properties Development Limited(2)	PRC Limited liability company	Property holding and development in the PRC	HK$50,000,000 (2023: HK$50,000,000)	**100%**	100%
Guangzhou Silver Dip Property Management Company Limited(2)	PRC Limited liability company	Property management in the PRC	HK$1,000,000 (2023: HK$1,000,000)	**100%**	100%
Shenyang Sliver Dip Property Management Company Limited(2)	PRC Limited liability company	Property management in the PRC	HK$1,000,000 (2023: HK$1,000,000)	**100%**	100%
Guangzhou Goldlion City Properties Company Limited(2)	PRC Limited liability company	Property holding in the PRC	RMB360,681,188 (2023: RMB360,681,188)	**100%**	100%
Joint Corporation Limited	Hong Kong Limited liability company	Investment holding in Hong Kong	1 ordinary share (2023: 1 ordinary share)	**100%**	100%

9 SUBSIDIARIES *(continued)*

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/ registered capital	Group's equity interest	
				2024	2023
China Silverlion Limited[(2)]	PRC Limited liability company	Distribution of garments in the PRC	RMB3,613,724 (2023: RMB3,613,724)	**100%**	100%
Guangzhou Goldlion E-commerce Company Limited[(2)]	PRC Limited liability company	Distribution of garments in the PRC	HK$121,000,000 (2023: HK$121,000,000)	**100%**	100%
Goldlion (Meizhou) New Energy Company Limited[(2)]	PRC Limited liability company	Photovoltaic business engagement in the PRC	RMB18,000,000 (2023: RMB6,000,000)	**100%**	100%
Goldlion (Meizhou) Technology Company Limited[(3)]	PRC Limited liability company	Photovoltaic business engagement in the PRC	RMB10,000,000 (2023: nil)	**80%**	–

(1) Subsidiary held directly by the Company. Except for Goldlion Group (B.V.I.) Limited, other subsidiaries are held indirectly by the Company.

(2) These subsidiaries are wholly foreign-owned enterprises established in the PRC. English names of these subsidiaries are direct translations of their Chinese registered names.

(3) This subsidiary is an enterprise established in the PRC. English name of this subsidiary is direct translation of its Chinese registered name.

10 PROPERTY UNDER DEVELOPMENT

The Group's interests in property under development are analyzed as follows:

	2024 HK$'000	2023 HK$'000
Land use rights	**52,759**	55,447
Development costs	**111,871**	47,767
	164,630	103,214

The property under development is located in Meixian Area, China Mainland. Under the Land Use Rights Grant Contract entered between the Meixian Bureau of Land and the Group on 24th January 2014, the delay in commencing and completion of construction works of the project after 18th June 2014 and 24th January 2017 respectively may be subject to a penalty. After taking into account of an independent legal advice, the Directors are of the view that the imposition of a penalty by the relevant authority is remote.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

10 PROPERTY UNDER DEVELOPMENT *(continued)*

The amount expected to be completed and realized within the Group's normal operating cycle is HK$164,630,000 (2023: HK$103,214,000).

Accounting policies of property under development

Property under development is stated at the lower of cost and net realizable value. Development cost of property comprises cost of land use rights, construction costs and professional fees incurred during the development period. Upon completion, the property is transferred to completed properties.

Net realizable value takes into account the price ultimately expected to be realized, less applicable variable selling expenses and the anticipated costs to completion.

Property under development is classified as current asset unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

11 COMPLETED PROPERTIES

	2024 HK$'000	2023 HK$'000
Completed properties	**590,795**	651,481

The completed properties are located in Meixian Area, China Mainland.

Accounting policies of completed properties

Completed properties are initially measured at the carrying amount of property at the date of reclassification from property under development. Subsequently, completed properties are carried at the lower of cost and net realizable value. Net realizable value is determined by reference to management estimates based on prevailing market conditions.

12 INVENTORIES

	2024 HK$'000	2023 HK$'000
Raw materials	**1,275**	1,846
Work in progress	**8,397**	14,688
Finished goods	**208,051**	185,100
	217,723	201,634

The cost of inventories recognized as expense and included in cost of sales amounted to HK$400,495,000 (2023: HK$443,245,000) (note 23).

Accounting policies of inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

13 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2024 HK$'000	2023 HK$'000
Financial assets at amortized cost		
Trade receivables (note 14)	**88,669**	99,729
Deposits and other receivables (note 14)	**27,864**	30,381
Restricted cash, bank deposits and cash and cash equivalents (note 16)	**1,051,846**	1,088,801
Total	**1,168,379**	1,218,911
Financial liabilities, at amortized cost		
Trade payables (note 19)	**49,557**	34,605
Other payables	**56,294**	57,863
Lease liabilities	**26,456**	44,261
Total	**132,307**	136,729

14 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables	89,292	100,808
Less: provision for impairment	(623)	(1,079)
Trade receivables – net	88,669	99,729
Purchase deposits	2,812	8,280
Prepayments	8,764	14,718
General deposits	14,144	15,010
Interest receivable	10,546	12,567
VAT recoverable	13,131	7,592
Others	3,174	2,804
Total of prepayments, deposits and other receivables	52,571	60,971

Prepayments, deposits and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

The Group's sales are on cash on delivery or credit terms ranging from 30 days to 180 days after delivery. The ageing of the trade receivables based on invoice date is as follows:

	2024 HK$'000	2023 HK$'000
1–30 days	63,291	83,504
31–90 days	16,605	12,850
Over 90 days	9,396	4,454
Trade receivables	89,292	100,808
Less: provision for impairment of trade receivables	(623)	(1,079)
Trade receivables – net	88,669	99,729

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers dispersed in China Mainland and Singapore. The credit quality of trade receivables neither past due nor impaired has been assessed by reference to historical information about the counterparty default rates.

14 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

The carrying amounts of the Group's trade receivables, prepayments, deposits and other receivables approximate their fair values and are denominated in the following currencies:

	2024 **HK$'000**	2023 HK$'000
Renminbi	**126,385**	141,825
Hong Kong dollar	**10,109**	12,964
Singapore dollar	**4,746**	5,911
	141,240	160,700

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

Movements on the provision for impairment of trade receivables are as follows:

	2024 **HK$'000**	2023 HK$'000
At 1st January	**1,079**	2,195
Reversal of provision for impairment of trade receivables, net	**(113)**	(1,122)
Receivables written off during the year as uncollectible	**(343)**	–
Exchange differences	**–**	6
At 31st December	**623**	1,079

The provision for impaired receivables was included in administrative expenses in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Accounting policies of trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade 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 receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See note 14 for further information about the Group's accounting for trade receivables and note 38.6(d) for a description of the Group's impairment policies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

15 CONTRACT ASSETS AND CONTRACT LIABILITIES

	2024 HK$'000	2023 HK$'000
Contract assets		
Arising from the right to recover products from customers on settling right of return obligation	**30,693**	52,506
Contract liabilities		
Sales deposits received from customers in relation to pre-sale of properties	**8,777**	22,612
Receipt in advance from customers	**18,211**	27,564
Right of return obligation	**71,937**	112,600
Deferred revenue	**40,610**	48,353
	139,535	211,129

Revenue that was included in the contract liabilities balance at the beginning of the reporting period was fully recognized in the reporting period, except for the sales deposits received from customers in relation to pre-sale of properties amounting to HK$4,171,000 (2023: HK$12,492,000).

All balances of contract liabilities at 31st December 2024 is expected to be recognized as revenue within one year (2023: same).

16 RESTRICTED CASH, BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2024 HK$'000	2023 HK$'000
Cash at banks and in hand	**121,450**	297,524
Bank deposits with maturity less than 3 months	**194,942**	59,575
Cash and cash equivalents as stated in the consolidated cash flow statement	**316,392**	357,099
Restricted cash (note)	**1,310**	10,208
Bank deposits with maturity over 3 months	**734,144**	721,494
Restricted cash, bank deposits and cash and cash equivalents as stated in the balance sheet	**1,051,846**	1,088,801
Maximum exposure to credit risk	**1,051,823**	1,088,777

Note:

The balance represented the receipts from pre-sale of properties denominated in RMB and placed in designated bank accounts in China Mainland as at 31st December 2024, and will be released in accordance with certain construction progress milestones.

Restricted cash, bank deposits and cash and cash equivalents in the balance sheet are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
Renminbi	**698,079**	707,471
Hong Kong dollar	**353,472**	379,833
Singapore dollar	**295**	1,497
	1,051,846	1,088,801

These bank balances and cash of the Group held in the PRC are subject to the rules and regulations of foreign exchange control promulgated by the Chinese government.

Accounting policies of cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

17 SHARE CAPITAL

	2024		2023	
	Number of shares (thousands)	**Share capital HK$'000**	Number of shares (thousands)	Share capital HK$'000
Ordinary shares, issued and fully paid:				
At 1st January	**973,844**	**1,101,358**	978,436	1,101,358
Share repurchased and cancelled during the year (note)	**–**	**–**	(4,592)	–
At 31st December	**973,844**	**1,101,358**	973,844	1,101,358

Note:

During the year, the Company has not redeemed any of its shares (2023: the Company repurchased its own shares from the market in total of 4,592,000 ordinary shares at an aggregate consideration of HK$4,879,000 (including the relevant transaction costs and expenses of HK$40,000). The average price of the repurchased shares was HK$1.054 per share. These repurchased shares had been cancelled at the end of the reporting period).

Accounting policies of share capital

Ordinary shares are classified as equity. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

18 RESERVES

	Capital reserve HK$'000	Revaluation reserve HK$'000	Other reserves(i) HK$'000	Exchange reserve HK$'000	Sub-total HK$'000	Retained earnings HK$'000	Total reserves HK$'000
Balance at 1st January 2024	(34,204)	118,658	100,190	56,497	241,141	3,062,265	3,303,406
Profit for the year	–	–	–	–	–	93,097	93,097
Revaluation of property, plant and equipment upon reclassification to investment property	–	7,767	–	–	7,767	–	7,767
Currency translation differences	–	–	–	(100,042)	(100,042)	–	(100,042)
Total comprehensive income	–	7,767	–	(100,042)	(92,275)	93,097	822
Appropriation to reserves	–	–	155	–	155	(155)	–
2023 final dividend paid	–	–	–	–	–	(38,954)	(38,954)
2024 interim dividend paid	–	–	–	–	–	(19,477)	(19,477)
Balance at 31st December 2024	(34,204)	126,425	100,345	(43,545)	149,021	3,096,776	3,245,797
Representing:							
Reserves	(34,204)	126,425	100,345	(43,545)	149,021	3,096,776	3,245,797
2024 final dividend proposed	–	–	–	–	–	–	–
	(34,204)	126,425	100,345	(43,545)	149,021	3,096,776	3,245,797

18 RESERVES *(continued)*

	Capital reserve HK$'000	Revaluation reserve HK$'000	Other reserves(i) HK$'000	Exchange reserve HK$'000	Sub-total HK$'000	Retained earnings HK$'000	Total reserves HK$'000
Balance at 1st January 2023	(34,204)	117,867	100,026	128,025	311,714	3,034,311	3,346,025
Profit for the year	–	–	–	–	–	116,164	116,164
Revaluation of property, plant and equipment upon reclassification to investment property	–	655	–	–	655	–	655
Change in fair value of financial assets at fair value through other comprehensive income	–	136	–	–	136	–	136
Currency translation differences	–	–	–	(71,528)	(71,528)	–	(71,528)
Total comprehensive income	–	791	–	(71,528)	(70,737)	116,164	45,427
Ordinary shares repurchased and cancelled (note 17)	–	–	–	–	–	(4,879)	(4,879)
Appropriation to reserves	–	–	164	–	164	(164)	–
2022 final dividend paid	–	–	–	–	–	(48,922)	(48,922)
2023 interim dividend paid	–	–	–	–	–	(34,245)	(34,245)
Balance at 31st December 2023	(34,204)	118,658	100,190	56,497	241,141	3,062,265	3,303,406
Representing:							
Reserves	(34,204)	118,658	100,190	56,497	241,141	3,023,311	3,264,452
2023 final dividend proposed	–	–	–	–	–	38,954	38,954
	(34,204)	118,658	100,190	56,497	241,141	3,062,265	3,303,406

(i) Other reserves are attributable to certain subsidiaries established in China Mainland. These reserves, comprising a general reserve fund and an enterprise development fund, are set aside in accordance with the relevant statutory requirements in China Mainland. The amount set aside is determined by the directors of these subsidiaries at their financial year end. The fund can only be used to make up losses incurred, increase registered capital or used for collective welfare of employees.

19 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Trade payables (note (a))	**49,557**	34,605
Other payables and accruals (note (b))	**219,877**	203,465
Less: non-current portion (note (c))	**(46,559)**	(30,995)
Current portion	**173,318**	172,470

The carrying amounts of the Group's trade payables, other payables and accruals approximate their fair values.

Notes:

(a) The ageing of the trade payables based on invoice date is as follows:

	2024 HK$'000	2023 HK$'000
1–30 days	**31,690**	29,351
31–90 days	**14,645**	3,654
Over 90 days	**3,222**	1,600
	49,557	34,605

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

	2024 HK$'000	2023 HK$'000
Renminbi	**48,758**	32,348
Singapore dollar	**780**	2,228
Hong Kong dollar	**19**	29
	49,557	34,605

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For the year ended 31st December 2024

19 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS *(continued)*

Notes: *(continued)*

(b) Nature of other payables and accruals is as follows:

	2024 HK$'000	2023 HK$'000
Deposits received	75,427	54,970
Construction payables	78,314	76,947
Accruals and others	66,136	71,548
	219,877	203,465

(c) The non-current portion of other payables and accruals represents the deposits received from tenants and cooperative partner which will be refunded in a period over twelve months from 31st December 2024.

Accounting policies of trade and other payables

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

20 DEFERRED INCOME TAX

	2024 HK$'000	2023 HK$'000
Deferred income tax assets	(55,889)	(55,873)
Deferred income tax liabilities	354,392	375,325
	298,503	319,452

The gross movement on the deferred income tax account of the Group is as follows:

	2024 HK$'000	2023 HK$'000
At 1st January	319,452	341,898
Credited to consolidated income statement (note 29)	(9,673)	(13,731)
Charged to other comprehensive income	215	273
Exchange differences	(11,491)	(8,988)
At 31st December	298,503	319,452

20 DEFERRED INCOME TAX *(continued)*

Deferred income tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefit through the future taxable profits is probable. The Group has unrecognized tax losses of HK$929,848,000 (2023: HK$939,686,000), of which HK$638,774,000 (2023: HK$637,950,000), HK$4,544,000 (2023: HK$3,666,000) and HK$74,746,000 (2023: HK$86,285,000) are subject to agreement by the Inland Revenue Department in Hong Kong and the relevant tax authorities in the PRC and Singapore, respectively, to carry forward against future taxable income. Out of the unrecognized tax losses, HK$925,304,000 (2023: HK$936,020,000) have no expiry date and the remaining amount will expire at various dates up to and including 2029.

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred income tax liabilities

	Accelerated taxation depreciation		Change in fair values		Dividend withholding tax		Others		Total	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
At 1st January	**141,363**	144,846	**210,815**	231,175	**62,200**	62,216	**20,498**	24,567	**434,876**	462,804
Exchange differences	**(5,887)**	(4,268)	**(7,168)**	(5,893)	**(1,907)**	(1,385)	**(667)**	(652)	**(15,629)**	(12,198)
(Credited)/charged to consolidated income statement	**(701)**	785	**(9,173)**	(14,740)	**2,244**	1,369	**(8,431)**	(3,417)	**(16,061)**	(16,003)
Charged to other comprehensive income	**–**	–	**215**	273	**–**	–	**–**	–	**215**	273
At 31st December	**134,775**	141,363	**194,689**	210,815	**62,537**	62,200	**11,400**	20,498	**403,401**	434,876

Deferred income tax assets

	Provisions		Others (note)		Total	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
At 1st January	**(60,566)**	(59,905)	**(54,858)**	(61,001)	**(115,424)**	(120,906)
Exchange differences	**2,292**	1,591	**1,846**	1,619	**4,138**	3,210
(Credited)/charged to consolidated income statement	**(9,555)**	(2,252)	**15,943**	4,524	**6,388**	2,272
At 31st December	**(67,829)**	(60,566)	**(37,069)**	(54,858)	**(104,898)**	(115,424)

Note: The amount mainly included the deferred income tax assets relating to the right of return obligation totalling HK$27,700,000 (2023: HK$38,468,000) at year end.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

21 LEASE LIABILITIES

	2024 HK$'000	2023 HK$'000
Current liabilities	**17,331**	21,432
Non-current liabilities	**9,125**	22,829
	26,456	44,261

The total cash payment for lease for the year ended 31st December 2024 was HK$94,084,000 (2023: HK$105,214,000).

The Group's leasing activities and how these are accounted for

The Group leases various retail spaces and premises, warehouses, offices, equipment and cars. Rental contracts are typically made for fixed periods of 1 to 5 years but may have extension options (note 7(b)). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group also leases certain land use rights in China Mainland. These land use rights are leased for a period of between 32 and 70 years on which plants and buildings of the Group are situated on.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes except for the land use rights in China Mainland.

Future aggregate minimum lease payment under non-cancellable short-term leases amounted to HK$9,235,000 (2023: HK$9,157,000).

Payment obligations in respect of operating leases on properties with rentals vary with gross revenues are not included as future minimum lease payments.

22 OTHER LOSSES

	2024 HK$'000	2023 HK$'000
Fair value losses on investment properties	**27,362**	47,066

23 EXPENSES BY NATURE

	2024 HK$'000	2023 HK$'000
Cost of inventories sold	**400,495**	443,245
Cost of properties sold	**36,984**	66,244
Provision for impairment of inventories	**48,918**	24,807
Direct operating expenses arising from investment properties that generated rental income	**36,139**	37,684
Expenses relating to:		
– short-term leases	**21,998**	22,309
– variable lease payments	**49,275**	61,588
Depreciation of property, plant and equipment (note 6)	**32,190**	26,701
Depreciation of right-of-use assets (note 7)	**20,464**	18,788
Impairment of property, plant and equipment (note 6)	**227**	–
Impairment of right-of-use assets (note 7)	**3,021**	1,821
Staff costs including directors' emoluments (note 24)	**220,529**	224,016
Auditors' remuneration:		
– audit services	**3,352**	3,822
– non-audit services	**401**	1,022
Advertising and promotion expenses	**107,024**	111,192
Reversal of provision for impairment of trade receivables, net (note 14)	**(113)**	(1,122)
Net exchange loss	**2,412**	713
Other expenses	**127,934**	139,786
	1,111,250	1,182,616
Representing:		
Cost of sales	**524,132**	572,941
Selling and marketing costs	**431,341**	447,488
Administrative expenses	**155,777**	162,187
	1,111,250	1,182,616

For the year ended 31st December 2024

24 STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2024 HK$'000	2023 HK$'000
Staff costs		
– Wages and salaries	**179,492**	181,201
– Retirement benefit costs (note 25)	**41,037**	42,815
	220,529	224,016

Accounting policies of employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognized until the time of leave.

(b) Profit sharing and bonus plans

The expected costs of profit sharing and bonus payments are recognized as a liability 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.

Liabilities for profit sharing and bonus plans are expected to be settled within the next twelve months and are measured at the amounts expected to be paid when they are settled.

(c) Pension obligations

The Group operates defined contribution retirement schemes which are available for all qualified employees in Hong Kong and Singapore. The assets of the schemes are held separately from those of the Group in independently administered funds. For the retirement schemes for Hong Kong and Singapore employees, monthly contributions made by the Group and the employees are calculated as a fixed percentage of the employees' basic salaries or a fixed sum for each employee where appropriate. Contributions to these schemes by the Group are expensed as incurred and/or are reduced by contributions forfeited by employees who leave the schemes prior to vesting fully in the Group's contributions.

The Group also participates in the employee pension schemes operated by the municipal governments of various cities in China Mainland and is required to make annual contributions to these schemes. The municipal governments are responsible for the entire pension obligations payable to retired employees. The only obligation of the Group is to pay the ongoing required contributions under these schemes. The contributions are charged to the income statement as incurred.

25 RETIREMENT BENEFIT COSTS

	2024	2023
	HK$'000	HK$'000
Defined contribution schemes for:		
Hong Kong employees (note (a))	**570**	814
Singapore employees (note (b))	**1,692**	1,622
China Mainland employees (note (c))	**38,775**	40,379
	41,037	42,815

Notes:

(a) Under the Mandatory Provident Fund (the "MPF") scheme, both the employer and employee have to contribute 5% of the employee's relevant income or HK$1,500, whichever is lower, as mandatory contribution. The employer and employee may further contribute certain percentage of the employee's relevant income, as voluntary contribution.

The amount represents contributions paid and payable by the Group to the MPF scheme and Long Service Payment totalling HK$570,000 (2023: HK$814,000) without any forfeited contributions (2023: nil). Contributions totalling HK$85,000 (2023: HK$85,000) payable to the MPF scheme at the year end were included in other payables. There were no unutilized forfeited contributions at year end (2023: nil).

(b) Contributions paid and payable by the Group to the schemes amounted to HK$1,692,000 (2023: HK$1,622,000). Contributions totalling HK$291,000 (2023: HK$245,000) payable to the schemes at the year end were included in other payables. There were no unutilized forfeited contributions at year end (2023: nil).

(c) This represents gross contributions made by the Group to employee pension schemes operated by the municipal governments of various cities in the PRC. There was no contribution payable (2023: nil) to the municipal governments at year end.

26 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

(a) Directors' and Chief Executive's emoluments

Pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefit of Directors) Regulation (Cap. 622G) and the Listing Rules, the remuneration of every Director and the Chief Executive for the year ended 31st December 2024:

	2024					
Name	**Fees HK$'000**	**Salary HK$'000**	**Discretionary bonuses HK$'000**	**Estimated money value of other benefits (1) HK$'000**	**Employer's contribution to a retirement benefit scheme HK$'000**	**Total HK$'000**
Director						
Mr. Ng Ming Wah, Charles	360	–	–	–	–	360
Dr. Lau Yue Sun (4)	236	–	–	–	–	236
Mr. Li Ka Fai, David	360	–	–	–	–	360
Mr. Ngan On Tak (5)	143	–	–	–	–	143
Ms. Lo Wing Sze	360	–	–	–	–	360
Mr. Chan Kwong Ming, Johnny (6)	42	–	–	–	–	42
Director and Chief Executive						
Mr. Tsang Chi Ming, Ricky	–	6,055	3,385	–	18	9,458

	2023					
Name	Fees HK$'000	Salary HK$'000	Discretionary bonuses HK$'000	Estimated money value of other benefits (1) HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Director						
Madam Wong Lei Kuan (2)	–	743	446	50	–	1,239
Mr. Ng Ming Wah, Charles	360	–	–	–	–	360
Dr. Lau Yue Sun	360	–	–	–	–	360
Mr. Li Ka Fai, David	360	–	–	–	–	360
Mr. Ngan On Tak	360	–	–	–	–	360
Ms. Lo Wing Sze (3)	269	–	–	–	–	269
Director and Chief Executive						
Mr. Tsang Chi Ming, Ricky	–	5,642	4,028	–	18	9,688

26 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

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

Notes:

(1) Estimated money value of other benefits includes medical expenses reimbursement.

(2) Madam Wong Lei Kuan retired on 19th May 2023.

(3) Ms. Lo Wing Sze was appointed on 3rd April 2023.

(4) Dr. Lau Yue Sun passed away on 27th August 2024.

(5) Mr. Ngan On Tak retired on 24th May 2024.

(6) Mr. Chan Kwong Ming, Johnny was appointed on 19th November 2024.

(b) Directors' retirement benefits

During the year, no retirement benefits were paid to or receivable by the Directors in respect of their services as Directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking through defined benefit pension plans (2023: nil).

(c) Directors' termination benefits

During the year, no payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors; nor are any payable (2023: nil).

(d) Consideration provided to third parties for making available Directors' services

During the year, no consideration was provided to or receivable by third parties for making available Directors' services (2023: nil).

(e) Information about loans, quasi-loans and other dealings in favor of Directors, controlled bodies corporate by and connected entities with such Directors

During the year, there are no loans, quasi-loans or other dealings in favor of the Directors, their controlled body corporates and connected entities (2023: nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company'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 (2023: nil).

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For the year ended 31st December 2024

27 EMOLUMENTS OF SENIOR MANAGEMENT

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year includes one (2023: one) Director whose emoluments are reflected in the analysis presented in note 26(a) above. The emoluments payable to the remaining four (2023: four) individuals during the year are as follows:

	2024 HK$'000	2023 HK$'000
Basic salaries, housing and other allowances	**7,331**	9,005
Bonuses	**1,395**	2,678
Retirement benefit costs	**66**	50
	8,792	11,733

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument bands		
HK$1,000,001 – HK$1,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**2**	–
HK$2,000,001 – HK$2,500,000	**1**	–
HK$2,500,001 – HK$3,000,000	**–**	1
HK$3,000,001 – HK$3,500,000	**1**	1
HK$4,000,001 – HK$4,500,000	**–**	1

(b) Other than disclosed in notes 26(a) and 27(a) above, no emoluments have been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. None of the Directors or the five highest paid individuals waived or agreed to waive any emoluments during the year.

28 INTEREST INCOME AND INTEREST EXPENSE

	2024 HK$'000	2023 HK$'000
Interest income:		
– Interest income from bank deposits	25,681	27,402
Interest expense:		
– Interest expense on lease liabilities	(1,516)	(1,743)
	24,165	25,659

Accounting policies of interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

29 INCOME TAX EXPENSE

	2024 HK$'000	2023 HK$'000
Hong Kong profits tax:		
Current year	–	13
Taxation outside Hong Kong:		
Current year	21,257	24,297
(Over)/under-provision in prior year	(24)	690
	21,233	24,987
Deferred income tax (note 20)	(9,673)	(13,731)
Total income tax expense	11,560	11,269

Hong Kong profits tax rate has not been provided for as the Group's estimated assessable profit for the year are set off by tax loss carried forward from prior years (2023: Hong Kong profits tax rate has been provided at the rate of 16.5% on the estimated assessable profit for the year).

29 INCOME TAX EXPENSE *(continued)*

Taxation on profits generated in the PRC has been calculated on the estimated assessable profit for the year at the rate of 25% (2023: 25%). For subsidiaries that qualify for the inclusive tax reduction policy for small and micro enterprises, in accordance with the existing policy of the PRC, taxation on profits generated in the PRC has been calculated at a preferential rate of 5% (2023: 5%). Taxation on profits outside Hong Kong and the PRC has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2024	2023
	HK$'000	HK$'000
Profit before income tax	**104,666**	127,433
Calculated at a tax rate of 16.5% (2023: 16.5%)	**17,270**	21,026
Effect of different taxation rates in other countries	**(8,349)**	(8,901)
Income not subject to tax	**(9,863)**	(11,089)
Expenses not deductible for tax purposes	**4,294**	3,015
Utilization of unrecognized tax losses	**(232)**	(328)
Tax losses not recognized	**6,184**	5,649
Withholding tax on profits retained by the PRC subsidiaries	**2,244**	1,369
Others	**12**	528
Total income tax expense	**11,560**	11,269

Corporate withholding income tax on dividend distribution

Under the CIT Law, corporate withholding income tax is levied on the foreign investor incorporated in Hong Kong for dividends which arise from profits of foreign investment enterprises earned after 1st January 2008 at a tax rate of 5% (2023: 5%).

Accounting policies of current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

29 INCOME TAX EXPENSE *(continued)*

Accounting policies of current and deferred income tax *(continued)*

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 consolidated financial statements. However, deferred income tax is 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 realized or the deferred income tax liability is settled.

The deferred tax liability in relation to investment properties that are measured at fair value is determined assuming the properties will be recovered entirely through use for investment properties in the PRC and through sale for investment properties in other region.

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

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company 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 when there is a legally enforceable right to offset current tax assets and liabilities and when 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the income statement, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

30 DIVIDENDS

	2024 HK$'000	2023 HK$'000
2023 interim dividend, paid, of 3.5 HK cents per ordinary share	**–**	34,245
2023 final dividend, paid, of 4.0 HK cents per ordinary share	**–**	38,954
2024 interim dividend, paid, of 2.0 HK cents per ordinary share	**19,477**	–
2024 final dividend, proposed, of nil HK cent per ordinary share (note)	**–**	–
	19,477	73,199

Note:

At a meeting held on 14th March 2025, the Directors did not recommend the payment of a final dividend for the year ended 31st December 2024.

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For the year ended 31st December 2024

31 EARNINGS PER SHARE

(a) Basic

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

	2024	2023
Profit attributable to owners of the Company (HK$'000)	**93,097**	116,164
Weighted average number of ordinary shares in issue	**973,844,035**	978,385,013
Basic earnings per share (HK cents)	**9.56**	11.87

(b) Diluted

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares in issue during the years ended 31st December 2024 and 2023.

32 CASH FLOW INFORMATION

(a) Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	2024 HK$'000	2023 HK$'000
Profit before income tax	**104,666**	127,433
Adjustments for:		
– Depreciation of property, plant and equipment (note 6)	**32,190**	26,701
– Depreciation of right-of-use assets (note 7)	**20,464**	18,788
– Impairment of right-of-use assets (note 7)	**3,021**	1,821
– Impairment of property, plant and equipment (note 6)	**227**	–
– Provision for impairment of inventories	**48,918**	24,807
– Interest income (note 28)	**(25,681)**	(27,402)
– Interest expense (note 28)	**1,516**	1,743
– Losses/(gains) on disposals of property, plant and equipment (note 32(a)(i))	**5**	(522)
– Gains on disposal of right-of-use assets	**(2,992)**	(330)
– Fair value losses on investment properties	**27,362**	47,066
– Reversal of provision for impairment of trade receivables, net (note 14)	**(113)**	(1,122)
Changes in working capital:		
– Property under development and completed properties	**(28,530)**	(29,065)
– Inventories	**(55,747)**	(15,526)
– Trade receivables, prepayments, deposits, other receivables and contract assets	**32,583**	62,992
– Trade payables, other payables, accruals and contract liabilities	**(40,230)**	(121,293)
Net cash generated from operations	**117,659**	116,091

Note:

(i) Disposals of property, plant and equipment

	2024 HK$'000	2023 HK$'000
Net book amount	**204**	877
(Losses)/gains on disposals of property, plant and equipment	**(5)**	522
Proceeds received	**199**	1,399

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

32 CASH FLOW INFORMATION *(continued)*

(b) Major non-cash financing activities

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$10,354,000 and HK$10,354,000 (2023: HK$15,788,000 and HK$15,593,000), respectively, in respect of lease arrangements for buildings and equipment and disposals of right-of-use assets and lease liabilities of HK$2,475,000 and HK$5,467,000, respectively, in respect of lease arrangements for buildings and equipment (2023: HK$97,000 and HK$427,000).

(c) Reconciliation of liabilities arising from financing activities

Lease liabilities

	2024 HK$'000	2023 HK$'000
At 1st January	**44,261**	49,677
Changes from financing cash flows	**(21,295)**	(19,574)
Additions	**10,354**	15,593
Disposal	**(5,467)**	(427)
Exchange differences	**(1,397)**	(1,008)
At 31st December	**26,456**	44,261

33 GUARANTEES OF MORTGAGE FACILITIES

	2024 HK$'000	2023 HK$'000
Guarantees in respect of mortgage facilities for certain property buyers	**3,981**	20,364

These represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain buyers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) the banks received the corresponding real estate ownership certificates as custody; or (ii) the satisfaction of mortgaged loans by the property buyers.

The Directors of the Company consider that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the guarantees.

34 COMMITMENTS

(a) Capital commitments

Capital expenditure of the Group at the balance sheet date but not yet incurred is as follows:

	2024 HK$'000	2023 HK$'000
Property, plant and equipment		
Contracted but not provided for	**14,706**	17,929
Investment properties		
Contracted but not provided for	**4,261**	3,169

(b) Commitments for property development expenditure and land use rights

	2024 HK$'000	2023 HK$'000
Contracted but not provided for	**366**	10,699
Authorized but not contracted for	**21,000**	511,000
	21,366	521,699

(c) Future aggregate minimum lease payments receivable under non-cancellable leases

	2024 HK$'000	2023 HK$'000
Rental receivables		
– not later than one year	**126,279**	143,047
– later than one year and not later than five years	**146,088**	200,447
– later than five years	**4,758**	11,207
	277,125	354,701

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

35 RELATED PARTY TRANSACTIONS

The Directors consider the immediate parent company and the ultimate parent company to be Top Grade Holdings Limited and Hin Chi Family Management Limited, which are incorporated in the British Virgin Islands and Hong Kong respectively. Top Grade Holdings Limited is interested in 62.95% of the Company's issued shares. Hin Chi Family Management Limited, as trustee of the Tsang Hin Chi (2007) Family Settlement, held all of the issued share capital of Top Grade Holdings Limited. The Company is ultimately controlled by the Tsang Family (comprising Mr. Tsang Chi Ming, Ricky, and the spouse and other direct descendants of the late Dr. Tsang Hin Chi) which, together with 0.14% of the Company's issued shares held by Mr. Tsang Chi Ming, Ricky personally, and 5.53% of the Company's issued shares held by Tsang Hin Chi Charities (Management) Limited, collectively controlled approximately 68.62% of the Company's issued shares. The remaining 31.38% of the issued shares are widely held.

In addition to those disclosed elsewhere in the financial statements, the following significant transactions were carried out with related parties:

(a) Purchases of services

	2024 HK$'000	2023 HK$'000
Professional fees paid to a related company	**320**	320

Note:

Equitas Capital Limited acted as financial advisor to the Group for which a professional fees of HK$320,000 was paid by the Company during the year. Mr. Ng Ming Wah, Charles, a non-executive Director of the Company, is the managing director and the principal shareholder of Equitas Capital Limited.

(b) Key management compensation

	2024 HK$'000	2023 HK$'000
Salaries, directors' emoluments and other short-term employee benefits	**19,667**	24,251
Retirement benefit costs	**84**	118
	19,751	24,369

(c) Year-end balances arising from purchases of services

	2024 HK$'000	2023 HK$'000
Accruals		
– Equitas Capital Limited	**160**	160

For the year ended 31st December 2024

36 BALANCE SHEET OF THE COMPANY

		As at 31st December 2024 HK$'000	As at 31st December 2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,873**	2,351
Investment in a subsidiary		**10**	10
		1,883	2,361
Current assets			
Amount due from a subsidiary		**1,200,212**	1,259,880
Prepayments		**32**	149
Cash and cash equivalents		**10,322**	12,752
		1,210,566	1,272,781
Total assets		**1,212,449**	1,275,142
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**1,101,358**	1,101,358
Retained earnings	note (a)	**109,483**	172,653
Total equity		**1,210,841**	1,274,011
LIABILITIES			
Current liabilities			
Accruals		**1,608**	1,131
Total equity and liabilities		**1,212,449**	1,275,142

The balance sheet of the Company was approved by the Board of Directors on 14th March 2025 and was signed on its behalf by:

Mr. Tsang Chi Ming, Ricky
Chairman and Chief Executive Officer

Mr. Li Ka Fai, David
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

36 BALANCE SHEET OF THE COMPANY *(continued)*

Note:

(a) Retained earnings movement of the Company

	Retained earnings HK$'000
At 1st January 2024	**172,653**
2023 final dividend paid	**(38,954)**
2024 interim dividend paid	**(19,477)**
Loss for the year	**(4,739)**
At 31st December 2024	**109,483**
Representing:	
Reserves	**109,483**
2024 final dividend proposed	**–**
	109,483
At 1st January 2023	162,546
Ordinary shares repurchased and cancelled	(4,879)
2022 final dividend paid	(48,922)
2023 interim dividend paid	(34,245)
Profit for the year	98,153
At 31st December 2023	172,653
Representing:	
Reserves	133,699
2023 final dividend proposed	38,954
	172,653

37 PROPOSED PRIVATIZATION AND SUBSEQUENT EVENTS

On 17th December 2024, Grand Sunny Limited (the "Offeror") and the Company jointly published an announcement (the "Joint Announcement"). As disclosed in the Joint Announcement, the Offeror requested the Board to put forward a proposal (the "Proposal") to the scheme shareholders for the privatization of the Company by way of a scheme of arrangement (the "Scheme") under Section 673 of the Hong Kong Companies Ordinance. If the Proposal is approved and implemented, the listing of the Companies shares on The Stock Exchange of Hong Kong Limited will be withdrawn with effect after the effective date. For details, please refer to the Joint Announcement.

As stated in the Joint Announcement, the Scheme documents containing, among other things, details of the Scheme, the expected timetable, an explanatory statement as required under the rules of the High Court, information regarding the Company, the recommendations of the independent Board committee with respect to the Proposal, the letter of advice from the independent financial adviser, notices of the court meeting and the general meeting as well as other particulars required by the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") will be despatched to the shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

As additional time is required to procure the holding of a directions hearing and to finalize the financial information to be included in the Scheme document, an application was made with the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong for its consent to extend the latest time for the dispatch of the Scheme document. Further announcement(s) will be made by the Company and the Offeror in respect of the application for the consent and the expected date of despatch of the Scheme document.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st December.

38.1 Subsidiaries

Subsidiaries are all entities (including structured entities) 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.2 Segment reporting

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

38.3 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 Hong Kong dollars, 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 at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the income statement.

Translation differences on non-monetary assets such as equities classified as FVOCI are recognized in other comprehensive income ("OCI").

(c) Group companies

The results and financial position of foreign operations (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 balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this 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 dates of the transactions); and

(iii) all resulting exchange differences are recognized in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognized in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.3 Foreign currency translation *(continued)*

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognized in the income statement.

38.4 Impairment of investments in subsidiaries and non-financial assets

Impairment testing of the investments in subsidiaries is required upon receiving a dividend 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.

Assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment. All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 to sell and its 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 suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

38.5 Equity instruments

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

38.6 Financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Group'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 either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.6 Financial assets *(continued)*

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized 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.

(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 ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated income statement.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated income statement. Dividends received from such investments continue to be recognized in the consolidated income statement as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in "other income and gains – net" in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at FVOCI are not reported separately from other changes in fair value.

(d) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9 "Financial instruments" ("HKFRS 9"), which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize 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 company or the counterparty.

38.8 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9; and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of HKFRS 15 "Revenue from contracts with customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

38.9 Government grants

Grants from the government are recognized 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 recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

38.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognized 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.

FIVE-YEAR FINANCIAL SUMMARY

	Year ended 31st December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Profit attributable to owners of the Company	**93,097**	116,164	154,462	221,043	148,286
Assets and liabilities					
Total assets	**5,146,477**	5,281,756	5,490,787	5,790,323	5,290,467
Total liabilities	**(797,194)**	(876,992)	(1,043,404)	(1,165,583)	(870,229)
Total equity	**4,349,283**	4,404,764	4,447,383	4,624,740	4,420,238

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