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**MOMENTUM FINANCIAL  
HOLDINGS LIMITED**  
**正乾金融控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1152)**

## **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Momentum Financial Holdings Limited (the “**Company**”) would like to announce the consolidated final results of the Company and its subsidiaries (collectively refer to as the “**Group**”) for the year ended 31 December 2024 (the “**Annual Results**”), together with the comparative figures for the previous year, as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b> (Reclassified)
<b>Revenue</b>	4	<b>630,131</b>	761,781
Cost of sales		<u><b>(599,278)</b></u>	<u>(711,584)</u>
<b>Gross profit</b>		<b>30,853</b>	50,197
Other operating (expense)/income, net	6	<b>(10,450)</b>	8,143
Change in fair value of financial asset at fair value through profit or loss (“ <b>FVTPL</b> ”)		<b>(60)</b>	(68)
Administrative and other expenses		<b>(8,807)</b>	(12,314)
Reversal of impairment loss on finance lease receivables		<b>12</b>	146
Impairment loss on trade receivables		<b>(16,457)</b>	(6,472)
Impairment loss on other receivables and deposits		<u><b>(4,641)</b></u>	<u>(5,742)</u>
<b>(Loss)/profit from operation</b>		<b>(9,550)</b>	33,890
Finance costs	7	<u><b>(11,349)</b></u>	<u>(8,523)</u>

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000 (Reclassified)
<b>(Loss)/profit before tax</b>	8	<b>(20,899)</b>	25,367
Income tax expense	9	<u><b>(2,382)</b></u>	<u>(5,822)</u>
<b>(Loss)/profit for the year</b>		<u><b>(23,281)</b></u>	<u>19,545</u>
<b>Other comprehensive expense for the year, net of tax:</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u><b>(2,616)</b></u>	<u>(2,581)</u>
<b>Total comprehensive (expense)/income for the year</b>		<u><b>(25,897)</b></u>	<u>16,964</u>
<b>(Loss)/profit for the year attributable to:</b>			
— the owners of the Company		<b>(22,345)</b>	20,346
— non-controlling interests		<u><b>(936)</b></u>	<u>(801)</u>
		<u><b>(23,281)</b></u>	<u>19,545</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>			
— the owners of the Company		<b>(24,878)</b>	17,847
— non-controlling interests		<u><b>(1,019)</b></u>	<u>(883)</u>
		<u><b>(25,897)</b></u>	<u>16,964</u>
<b>(Loss)/earnings per share (HK cents)</b>			
Basic and diluted	10	<u><b>(2.28)</b></u>	<u>2.07</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>5,534</b>	6,188
Right-of-use assets		<b>1,212</b>	679
Interest in a joint venture		<b>–</b>	–
		<b>6,746</b>	6,867
<b>Current assets</b>			
Inventories		<b>64,063</b>	25,712
Trade and other receivables	13	<b>309,780</b>	355,905
Finance lease receivables	12	<b>–</b>	553
Financial assets at FVTPL		<b>66</b>	126
Tax recoverables		<b>1,199</b>	1,243
Bank balances and cash		<b>3,572</b>	24,335
		<b>378,680</b>	407,874
<b>Current liabilities</b>			
Trade and other payables	14	<b>95,355</b>	145,477
Loan from the ultimate holding company		<b>50,000</b>	50,000
Lease liabilities		<b>593</b>	497
Bank and other borrowings		<b>6,589</b>	17,818
Promissory notes		<b>91,556</b>	–
Corporate bonds		<b>51,515</b>	9,380
Tax payables		<b>7,375</b>	8,082
		<b>302,983</b>	231,254
<b>Net current assets</b>		<b>75,697</b>	176,620
<b>Total assets less current liabilities</b>		<b>82,443</b>	183,487
<b>Non-current liabilities</b>			
Lease liabilities		<b>466</b>	–
Promissory notes		<b>–</b>	33,755
Corporate bonds		<b>–</b>	41,858
		<b>466</b>	75,613
<b>NET ASSETS</b>		<b>81,977</b>	107,874
<b>Capital and reserves</b>			
Share capital		<b>4,910</b>	4,910
Reserves		<b>75,171</b>	100,049
		<b>80,081</b>	104,959
Non-controlling interests		<b>1,896</b>	2,915
<b>TOTAL EQUITY</b>		<b>81,977</b>	107,874

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

Momentum Financial Holdings Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

As at 31 December 2024, the directors of the Company are of the opinion that Triumph Hope Limited (“**Triumph Hope**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate holding company of the Company; Mr. Chan Chung Shu (“**Mr. Chan**”), the shareholder of Triumph Hope, is the ultimate controlling party of the Company. Triumph Hope had pledged 501,330,000 shares of the Company as security for a term loan facility provided to Triumph Hope by Great Wall International Investment XX Limited which was wholly-owned by China Great Wall AMC (International) Holdings Company Limited which was, in turn, wholly-owned by China Great Wall Asset Management Co., Ltd..

The principal activities of the Group are the provision of finance leasing and consultancy services and cross-border business.

The functional currency of the Company is Renminbi (“**RMB**”). These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) as the directors of the Company consider that HK\$ is appropriate presentation currency for the users of the Group’s consolidated financial statements.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which in collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on Main Board of the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policy information adopted by the Group are discussed below.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

#### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the new and amendments to HKFRS Accounting Standards and interpretation in the current year has had no material impact on the Group’s consolidated financial position and performance for the current and prior years and/or the disclosures set out in these consolidated financial statements.

#### (b) New and revised HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2024. The new and amendments to HKFRS Accounting standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sales or Contribution of Assets between an investor and its Associate or Joint Venture	<i>To be determined by the HKICPA</i>

The directors of the Company are in the process of making an assessment of what the impact of these new/revised HKFRS Accounting Standards and interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for HKFRS 18 — Presentation and Disclosure in Financial Statements which may have impact on the entity's results and/or financial position. Details regarding the impact of HKFRS 18 are set out below.

***HKFRS 18 — Presentation and Disclosure in Financial Statements***

HKFRS 18 will replace HKAS 1 — Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

**4. REVENUE**

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

**Disaggregated by major products or service line**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
— Cross-border trading of nutrition food and health care products	629,993	761,305
— Consultancy service income	—	199
	<u>629,993</u>	<u>761,504</u>
<b>Revenue from other sources</b>		
— Interest income from provision of finance leasing service	138	277
	<u>630,131</u>	<u>761,781</u>

## Disaggregation of revenue by timing of recognition

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
— At a point in time	629,993	761,360
— Over time	<u>—</u>	<u>144</u>
Total revenue from contract with customers	<u><u>629,993</u></u>	<u><u>761,504</u></u>

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its revenue contracts of consultancy and other services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the revenue contracts of consultancy and other services that had an original expected duration of one year or less.

## 5. SEGMENT INFORMATION

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements.

### Operating segment information

The Group is engaged in the (i) provision of finance leasing and consultancy services in finance leasing business (earning interest income, handling fee and consultancy fee) and purchasing of leased assets; and (ii) cross-border trading business of nutrition food and health care products.

**(a) Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Provision of finance leasing and consultancy services		Cross-border trading business of nutritional food and health care products		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Years ended 31 December								
Revenue from external customers	<u>138</u>	<u>277</u>	<u>629,993</u>	<u>761,305</u>	<u>-</u>	<u>199</u>	<u>630,131</u>	<u>761,781</u>
Segment (loss)/profit	<u>(1,654)</u>	<u>(828)</u>	<u>11,144</u>	<u>41,600</u>	<u>(2,991)</u>	<u>(4,487)</u>	<u>6,499</u>	<u>36,285</u>
Loss on extinguishment of financial liabilities by the issuance of promissory notes							(10,288)	-
Gain on modification of promissory note							-	2,272
Gain on modification of convertible bonds							-	1,665
Written back on accruals							-	3,386
Unallocated other operating income							171	13
Change in fair value of financial asset at FVTPL							(60)	(68)
Unallocated expenses							(5,872)	(9,663)
Finance costs							<u>(11,349)</u>	<u>(8,523)</u>
(Loss)/profit before taxation							<u>(20,899)</u>	<u>25,367</u>

Revenue under the other segment represents mainly income derived from website advertising and other consultancy income, which does not meet the quantitative threshold of a separate reportable segment.

Segment results represent the profit/(loss) by each segment without allocation of gain on modification of promissory notes, gain on modification of convertible bonds, loss on extinguishment of financial liabilities by the issuance of promissory notes, written back on accruals, loss on disposals of subsidiaries, change in fair value of financial asset at FVTPL, unallocated expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



(b) *Segment assets and liabilities*

	2024 HK\$'000	2023 HK\$'000
<b>Segment assets</b>		
Cross-border trading business of nutrition food and health care products	366,390	391,059
Finance leasing business	3,764	3,585
Others	5,653	9,848
	<hr/>	<hr/>
Total segment assets	375,807	404,492
Unallocated corporate assets	9,619	10,249
	<hr/>	<hr/>
Total assets	385,426	414,741
	<hr/>	<hr/>

During the year ended 31 December 2024, there was no addition of non-current assets to the reportable segments of the Group (2023: Nil).

	2024 HK\$'000	2023 HK\$'000
<b>Segment liabilities</b>		
Cross-border trading business of nutrition food and health care products	89,302	103,705
Finance leasing business	139	409
Others	10,151	10,976
	<hr/>	<hr/>
Total segment liabilities	99,592	115,090
Unallocated corporate liabilities	203,857	191,777
	<hr/>	<hr/>
Total liabilities	303,449	306,867
	<hr/>	<hr/>

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

- all assets are allocated to operating segments other than financial asset at FVTPL and other assets for corporate use including certain property, plant and equipment, right-of-use assets, tax recoverables, bank balances and cash and other receivables which were managed in a centralised manner.
- all liabilities are allocated to operating segments other than certain other payables, loan from the ultimate holding company, convertible bonds, promissory notes, corporate bonds, lease liabilities and income tax payables which were managed in a centralised manner.

(c) **Geographical information**

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from external customers is presented based on the location of the operations is detailed below:

	For the year ended 2024			For the year ended 2023		
	Revenue from contract with customers HK\$'000	From other sources HK\$'000	Total HK\$'000	Revenue from contract with customers HK\$'000	From other sources HK\$'000	Total HK\$'000
The PRC	–	138	138	66,198	277	66,475
Hong Kong	629,993	–	629,993	695,306	–	695,306
	<u>629,993</u>	<u>138</u>	<u>630,131</u>	<u>761,504</u>	<u>277</u>	<u>761,781</u>

The Group's information about its non-current assets based on the geographical location of the assets is detailed below:

	Non-current assets	
	2024 HK\$'000	2023 HK\$'000
The PRC	5,694	6,408
Hong Kong	1,052	459
	<u>6,746</u>	<u>6,867</u>

*Note:* Non-current assets excluded finance lease receivables.

(d) **Information about major customers**

Revenue from the customers contributing over 10% of the total revenue of the Group are as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Cross-border trading of nutrition food and health care products segment</b>		
Customer A	125,748	273,634
Customer B	70,142	92,860
Customer C	140,033	N/A*

\* The corresponding revenue did not contribute over 10% of the Group's total revenue.

**6. OTHER OPERATING (EXPENSE)/INCOME, NET**

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bank interest income	<b>8</b>	17
Exchange (loss)/gain, net	<b>(333)</b>	309
Loss on extinguishment of financial liabilities		
by the issuance of promissory notes	<b>(10,288)</b>	—
Gain on modification of promissory note	—	2,272
Gain on modification of convertible bonds	—	1,665
Sundry income	<b>163</b>	494
Written back on accruals	—	3,386
	<u><b>(10,450)</b></u>	<u>8,143</u>

**7. FINANCE COSTS**

	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on:		
— bank and other borrowings	<b>2,505</b>	1,321
— shareholder's loan	<b>4,750</b>	4,750
Effective interest expenses on:		
— promissory notes	<b>1,551</b>	648
— corporate bonds	<b>2,516</b>	1,758
— lease liabilities	<b>27</b>	46
	<u><b>11,349</b></u>	<u>8,523</u>

## 8. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit for the year has been arrived at after charging/(crediting):

	2024 HK\$'000	2023 HK\$'000
Directors' and chief executive's emoluments	629	912
Salaries and other allowances (excluding directors' and chief executive's emoluments)	2,918	2,748
Retirement benefit scheme contributions (excluding directors' and chief executive's emoluments)	199	195
Total staff costs	3,746	3,855
Auditor's remuneration		
— Audit services	750	750
— Non-audit services	100	100
Amount of inventories recognised as an expense	599,223	711,311
Depreciation of property, plant and equipment	447	492
Depreciation on right-of-use assets	662	666
Exchange loss/(gain), net	333	(309)
Loss on extinguishment of financial liabilities by the issuance of promissory notes	10,288	—
Gain on modification of promissory notes	—	(2,272)
Gain on modification of convertible bonds	—	(1,665)
Impairment loss on trade receivables	16,457	6,472
Reversal of impairment loss on finance lease receivables	(12)	(146)
Impairment loss on other receivables and deposits	4,641	5,742
Lease payments in respect of short-term operating lease for rented premises	221	498

## 9. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax		
Hong Kong Profits Tax		
— Provision for the year	2,853	6,071
— Overprovision in prior years	(472)	—
	2,381	6,071
PRC EIT		
— Provision for the year	—	24
— Under/(over) provision in prior years	1	(273)
	1	(249)
	2,382	5,822

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the year ended 31 December 2024 and 2023.

The tax rate applicable to the Group's PRC subsidiaries were 25% (2023: 25%) during the year.

The tax charge for the year can be reconciled to the (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 <b>HK\$'000</b>
(Loss)/profit before tax	<b>(20,899)</b>	25,367
Tax at domestic tax rate of 16.5%	<b>(3,448)</b>	4,185
Tax effect of expense not deductible for tax purposes	<b>4,093</b>	307
Tax effect of income not taxable for tax purposes	<b>(2)</b>	(650)
Tax effect of tax losses not recognised	<b>1,149</b>	652
Effect of different tax rates of subsidiaries	<b>(2,303)</b>	(851)
Tax effect of temporary different not recognised	<b>4,161</b>	2,634
Over provision in prior years	<b>(471)</b>	(273)
Effect of two-tiered profits tax rates regime	<b>(165)</b>	(165)
Tax reduction	<b>(2)</b>	(3)
Tax effect of utilisation of tax losses not previously recognised	<b>(630)</b>	(14)
Income tax expenses for the year	<b><u>2,382</u></b>	<b><u>5,822</u></b>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$31,480,000 (2023: HK\$30,702,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$10,432,000 (2023: HK\$5,836,000) that will expire after five years from the year of assessment to which they relate. Other losses may be carried forward indefinitely.

Under the EIT Law, a withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

As at 31 December 2024 and 2023, deferred taxation amounted to approximately HK\$183,000 (2023: HK\$3,420,000) has not been provided in the consolidated financial statements regarding to profits by the Group's PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000
<b>(Loss)/earnings</b>		
(Loss)/earnings for the year attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	<u>(22,345)</u>	<u>20,346</u>
	2024 '000	2023 '000
<b>Number of shares</b>		
Weighted average number ordinary shares for the purpose of basic and diluted earnings per share	<u>982,000</u>	<u>982,000</u>

No diluted (loss)/earnings per share has been presented as there were no potential dilutive shares outstanding for the years ended 31 December 2024 and 2023.

## 11. DIVIDENDS

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

## 12. FINANCE LEASE RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Undiscounted lease payments analysed as:		
Recoverable within 12 months	<u>–</u>	<u>591</u>
Net investment in the lease analysed as:		
Recoverable within 12 months	<u>–</u>	<u>553</u>

Amounts receivable under finance leases based on repayment schedule is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Within one year	—	591
Undiscounted lease payments	—	591
Less: unearned finance income	—	(26)
Present value of minimum lease payments	—	565
Impairment loss as recognised	—	(12)
Net investment in lease	—	553

Certain machinery of the Group are leased out under finance leases. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

Movements of impairment loss as recognised is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
At beginning of year	12	162
Impairment loss reversed for the year	(12)	(146)
Exchange realignment	—	(4)
At end of the year	—	12

During the year, the decrease in net investment in lease mainly represent recovery of finance lease receivables in according to the finance lease agreements.

As at 31 December 2023, the effective interest rates of the above finance leases are charged at 11% per annum and the relevant lease contracts entered into of approximately HK\$3,320,000 was aged within 5 years at the end of the reporting period. During the year ended 31 December 2024, all the lease contracts were expired.

As at 31 December 2023, all the finance lease receivables were secured by the leased assets and customers' deposits. The title of the leased assets will be transferred to the customers with minimal consideration at the end of the term of leases.

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements that needed to be recorded as at the end of the reporting period.

Deposits of approximately HK\$232,000 have been received by the Group to secure certain finance lease receivables and classified into non-current liabilities based on the final lease instalment due date stipulated in the finance lease agreements. The deposits are non-interest bearing. In addition, the finance lease receivables are secured over the leased assets, mainly machinery leased, as at 31 December 2023. The Group is not permitted to sell, or repledge the collateral of the finance lease receivables without consent from the lessee in the absence of default by the lessee.

At 31 December 2024, there was no finance lease receivables arising from the finance leasing business.

All finance leasing arrangement are denominated in RMB, which is the functional currency of the Group's entity which engages in the finance leasing business and accordingly, the Group is not exposed to foreign currency risk.

### 13. TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Receivables at amortised cost comprise:		
Trade receivables	334,723	360,993
Less: allowance for impairment losses	<u>(34,860)</u>	<u>(18,980)</u>
	<u>299,863</u>	<u>342,013</u>
Other receivables	20,576	20,244
Less: allowance for impairment losses	<u>(12,020)</u>	<u>(7,745)</u>
	<u>8,556</u>	<u>12,499</u>
Deposits	720	1,300
Prepayments	<u>641</u>	<u>93</u>
	<u>1,361</u>	<u>1,393</u>
	<u><u>309,780</u></u>	<u><u>355,905</u></u>

The Group generally allows an average credit period of 60–180 days (2023: 60–180 days) to its trade customers. Set out below the ageing analysis of the Group's trade receivables, based on invoice date, at the end of reporting period.

	2024 HK\$'000	2023 HK\$'000
0–30 days	28,337	20,918
31–60 days	57,755	24,680
Over 60 days	<u>213,771</u>	<u>296,415</u>
	<u><u>299,863</u></u>	<u><u>342,013</u></u>



#### 14. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000 (Reclassified)
<b>Current</b>		
Trade payables	61,963	77,837
Other payables	22,488	61,286
Interest payable	10,733	5,928
Security deposit for finance lease receivables	–	232
Value added tax payables	171	194
	<u>95,355</u>	<u>145,477</u>

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2024 HK\$'000	2023 HK\$'000
0–30 days	32,346	33,764
31–60 days	564	19,271
Over 60 days	29,053	24,802
	<u>61,963</u>	<u>77,837</u>

The average credit period on purchases of goods is 60 days (2023: 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 December 2024, approximately HK\$17,146,000 (2023: HK\$55,879,000) of other payables of the Group were denominated in HK\$, which is not the functional currencies of the relevant Group entities and exposed the Group to the foreign currency risk.

#### 15. CAPITAL COMMITMENT

	2024 HK\$'000	2023 HK\$'000
Capital expenditure in respect of contracted commitments for capital contribution to investees	<u>10,431</u>	<u>10,810</u>

#### 16. COMPARATIVE FIGURES

Certain comparative figures for the year ended 31 December 2023 as disclosed in the announcement of final results for the year ended 31 December 2023 of the Company dated 27 March 2024 (the “**Annual Results Announcement 2023**”) have been reclassified in the consolidated financial statements of this announcement to conform with the presentation of the results of the Group for the year ended 31 December 2024.

An amount of HK\$39,000 previously classified as selling and distribution expenses for the year ended 31 December 2023 in the Annual Results Announcement 2023 has been reclassified as administrative and other expenses for the year ended 31 December 2023 in this announcement. Moreover, an amount of HK\$1,178,000 previously classified as other payables for the year ended 31 December 2023 in the Annual Results Announcement 2023 has been reclassified as interest payable for the year ended 31 December 2023 in this announcement.

In the opinion of the Board, the reclassification made to the comparative figures has insignificant impact on the Group’s consolidated statements for the year ended 31 December 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is principally engaged in the provision of cross-border business and provision of finance leasing and consultancy service.

#### *1. Cross-border business*

The Group commenced its cross-border business since 2017, and expands its cross-border business under the S2B2C and B2C model. The S2B2C model is to provide value-added service to e-commerce distributors and/or end consumers in the PRC by (i) securing a cross-border e-commerce platform that integrates overseas direct procurement, import and export supply chain management; and (ii) leasing of several bonded warehouses, which allows the Group to efficiently import products into the PRC and maintain inventory to respond to customer orders in a swift manner, while providing custom clearance, warehouse storage and logistics assistance to its customers to strengthen its competitive edge.

The B2C model allows the Group to directly advertise and offer its products to end-consumers. The Group believed that the B2C model could diversify the source of income generated from its cross-border business segment.

#### *2. Provision of finance leasing and consultancy service*

The finance leasing business has been one of the principal businesses of the Group since 2014. The Group is from time to time looking for suitable opportunities to expand its finance leasing business.

The Group's finance leasing and consultancy service are mainly conducted in the following ways:

##### *(i) Direct finance leasing*

Direct finance leasing generally involves the Group acquiring machinery or equipment directly from the supplier at the instruction of the Group's customer, which is then leased to the customer of the Group. The customer will then repay the financing amount, interest and handling fee to the Group in monthly instalments. The financing amount granted by the Group will usually be determined based on the purchase price of the machinery or equipment and the customer's creditworthiness and ability to repay. Upon the expiry of the lease term and full repayment of the lease payment, the ownership of the machinery or equipment will be transferred to the customer at a nominal price. In direct finance leasing, although the Group has legal ownership to the machinery or equipment underlying the lease during the lease term, substantially all the risks and rewards of the ownership are transferred to the customer through contractual relationship between the Group and the customer.

*(ii) Sale and leaseback*

Sale and leaseback typically involves a customer selling its owned machinery or equipment to the Group and the Group then lease back such machinery or equipment to this customer. This form of finance leasing is primarily used by customers who need working capital to fund their business operation. The customer will then repay the financing amount, interest and handling fee to the Group in monthly instalments. The financing amount granted by the Group will usually be determined based on the purchase price and depreciation of the machinery or equipment and the customer's creditworthiness and ability to repay. Upon the expiry of the lease term and full repayment of the lease payment, the ownership of the machinery or equipment will be transferred back to the customer at a nominal price. In sale and leaseback transaction, although the Group has legal ownership to the machinery or equipment underlying the lease during the lease term, substantially all the risks and rewards of the ownership are transferred to the customer through contractual relationship between the Group and the customer.

The Group's finance leasing and consultancy service team (the "**Team**"), with solid experience in finance lease and medical equipment sector, obtains information regarding upcoming potential pipeline projects from manufacturers, distributors, banks and other financial institutions. Upon obtaining such information, the Team will approach the potential customers for discussions and conduct due diligence for potential finance leasing cooperation, by ways of direct finance leasing or sales and leaseback.

Details for major terms of finance leasing as at 31 December 2024, including total outstanding finance lease receivables, maturity profile, interest rates, collaterals and/or guarantee obtained, are set out in note 19 to the Consolidated Financial Statements.

The Team will perform (i) background assessment; (ii) financial capability and repayment ability assessment; (iii) credit assessment; (iv) guarantor background assessment; (v) subject matter assessment; and (vi) industry assessment, in the assessment of the credit risks of customers. The Group's approval process includes due diligence, feasibility study, verification and credit risk assessment. For the monitory of each outstanding finance lease contract, the Team will records the ledger, issue payment reminders, closely follow up instalments, maintain communication with customers to follow up overdue instalments (if any), and commence appropriate proceedings to recover outstanding instalments.

Due to the stringent procedures adopted by the Group in taking new customers on board, there was no default in repayment since the commencement of the Group's finance leasing business. The accumulated impairment losses on finance lease receivables as at 31 December 2024 amounted to HK\$Nil (2023: HK\$12,000) was provided by reference to the historical repayment pattern of the Group's finance lease debtors and certain other factors, including forward-looking elements, as to comply the requirements of HKFRS 9 Financial Instruments. Movements of the accumulated impairment losses on finance lease receivables during the year ended 31 December 2024 represent the net of: (1) decrease in outstanding finance lease receivables as compared to 31 December 2023; and (2) certain delays in repayments were recorded during the year ended 31 December 2024 (which were fully-recovered during the year ended 31 December 2024), which impacted the calculation of expected credit loss. The directors are of the view that the fact that no default in repayment has been recorded in respect of the finance lease business of the Group demonstrates that the internal control procedures for taking new customers/projects on board and the monitoring procedures are sound and effective.

In summary, during the year ended 31 December 2024, the Group had made strategic tailor-made arrangements to support the Group's position as follows: (i) it introduced new customers and suppliers; (ii) it strengthened product lines and platform for products; (iii) it improved operations and reducing operating costs; and (iv) it solicited new financing facilities in the market to support and strengthen the businesses and operations of the Group.

## **Financial Review**

### ***Revenue***

For the Year, cross-border business segment recorded a segment revenue of approximately HK\$630.0 million (2023: HK\$761.3 million), showing a decrease of 17.2% comparing with last year. Finance leasing business segment recorded a segment revenue of approximately HK\$0.1 million (2023: HK\$0.3 million), showing a decrease of 66.7% comparing with last year.

The decrease was mainly due to the decrease in cross-border trading business of nutrition food and health care products.

### ***Cost of Sales and Gross Profit***

The Group's cost of sales during the Reporting Period decrease by 15.8% to approximately HK\$599.3 million compared to the year ended 31 December 2023 (the "Corresponding Period") which was driven by the decrease in revenue.

The gross profit margin of the Group decreased from approximately 6.6% for the Corresponding Period to approximately 4.9% for the Reporting Period. The gross profit had decreased by 38.5% to approximately HK\$30.9 million compared to the Corresponding Period due to the decrease in revenue. The decrease in gross profit margin was mainly because the Group offer more competitive prices to the customers under the current intense market competition.

### ***Expenses***

The administrative and other expenses accounted for the largest portion of the operating cost. The administrative and other expenses decreased by 28.5% to approximately HK\$8.8 million when compared to the Corresponding Period, which is mainly because of the decrease of revenue and relevant operating cost.

### ***Tax***

Under the two-tiered Profits Tax Regime, one of the Company's Hong Kong subsidiaries is subjected to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2 million of its estimated assessable profits and at 16.5% on its estimated assessable profits above HK\$2 million. Other Hong Kong subsidiaries not qualifying for the two-tiered Profit Tax Regime are subjected to Hong Kong Profits Tax at the rate of 16.5% for the Year.

The tax rate applicable to the Group's PRC subsidiaries was 25% (2023: 25%) during the Year.

### ***Loss for the Year***

The Group recorded a net loss for the Year of approximately HK\$23.3 million as compared with a net profit of approximately HK\$19.5 million for the year ended 31 December 2023. The turnaround from profit to loss was primarily attributable to (i) decrease in cross-border trading business of nutrition food and health care products; and (ii) increase impairment loss on trade receivables.

### **Liquidity, Financial Resources and Capital Structure**

The Group had total cash and bank balances of approximately HK\$3.6 million as at 31 December 2024 (2023: HK\$24.3 million). The current ratio (defined as current assets divided by current liabilities) of the Group as at 31 December 2024 and 31 December 2023 was 1.25 times and 1.76 times respectively. As at 31 December 2024, the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB") and United States dollars ("US\$").

At 31 December 2024, the total borrowings of the Group were approximately HK\$200.8 million (2023: HK\$153.3 million) which comprised (i) loan from the ultimate holding company of HK\$50 million (2023: HK\$50 million); (ii) bank and other borrowings of HK\$6.6 million (2023: HK\$17.8 million); (iii) promissory note of HK\$91.6 million (2023: HK\$33.8 million); (iv) corporate bonds of HK\$51.5 million (2023: HK\$51.2 million); and (v) lease liabilities of HK\$1.1 million (2023: HK\$0.5 million) respectively.

The loan from the ultimate holding company is carried at fixed interest rate of 9.5% (2023: 9.5%) per annum and repayable on demand.

The Group's bank borrowings are denominated in RMB, repayable in one year and bearing a fixed interest of 9% (2023: 9.0%) per annum.

Pursuant to a subscription agreement dated 14 June 2019 and the supplemental agreement dated 17 June 2019, the Company issued convertible bonds in an aggregate principal amount of HK\$39,000,000 with 5% interest per annum three-year lifespan on 24 June 2019. Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$0.2, the Convertible Bonds will be convertible into 195,000,000 conversion shares. Details are disclosed in the announcements of the Company dated 14 June 2019, 17 June 2019 and 24 June 2019. The gross proceeds from the subscription of the Convertible Bonds was approximately HK\$39 million and the net proceeds was approximately HK\$38.7 million. During the year ended 31 December 2023, the outstanding principal and interest of the Convertible Bonds was reclassified to corporate bonds and no share was converted. The Company and the bondholder had mutually agreed to extend the maturity date to 24 June 2025.

On 3 March 2025, the Company received a statutory demand (the “**3 March 2025 Statutory Demand**”) from the solicitors firm acting for a holder of the convertible bonds of the Company demanding the Company to pay an amount of HK\$50,881,644, being the outstanding principal amount of the convertible bonds of the Company and interests on the aforesaid outstanding principal amount. Subsequently in June 2025, the convertible bond holder issued a letter to the Stock Exchange and stated that, among others, its disputes with the Company in relation to the convertible bonds of the Company is a misunderstanding caused by the convertible bond holder and it is going to immediately withdraw the 3 March 2025 Statutory Demand. Subsequently, the convertible bond holder has issued a letter to the Company to officially withdraw the 3 March 2025 Statutory Demand.

The Group's corporate bonds were unsecured and bearing interest ranging from 5% to 7% per annum. As at 31 December 2024, the outstanding balance of corporate bonds are fully repayable within one year.

In June 2019, the Company issued a promissory note in a principal amount of HK\$10,000,000 with an interest rate of 3% per annum and a maturity of 2 years to an independent third party (the “**PN10M**”). The net proceeds of approximately HK\$10 million was intended to be used for working capital. As at 31 December 2024, approximately HK\$10 million was used as working capital as intended and the maturity of the PN10M had been extended to June 2025.

In March 2021, the Company issued a promissory note in principal amount of HK\$3,000,000 with an interest rate of 4% per annum and a maturity of 2 years to an independent third party (the “**PN3M**”). The proceeds of approximately HK\$3 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$3 million was used as intended and the maturity of the PN3M had been extended to March 2025.

In April 2021, the Company issued a promissory note in principal amount of HK\$9,000,000 with an interest rate of 3% per annum and a maturity of 1 year which can be extended to another 1 year with mutual written consent to an independent third party (the “**PN9M**”). The proceeds of approximately HK\$9 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$9 million was used as intended and the maturity of the PN9M had been extended to April 2025.

In July 2021, the Company issued a promissory note in principal amount of HK\$12,000,000 with an interest rate of 3% per annum and a maturity of 1 year which can be extended to another 1 year with mutual written consent to an independent third party (the “**PN12M**”). The proceeds of approximately HK\$12 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$12 million was used as intended and the maturity of the PN12M had been extended to July 2025.

In June 2024, the Company issued a promissory note in principal amount of HK\$5,000,000 with an interest rate of 3% per annum to an independent third party (the “**PN5M**”). The proceeds of approximately HK\$5 million was intended to be used for working capital and/or repaying liabilities. As at the date of this announcement, approximately HK\$5 million was used as intended and the maturity of the PN3M will be due and payable in June 2025.

The Company received a letter (the “**Demand Letter**”) dated 16 September 2024 and issued by the holder of the promissory notes (the “**PN Holder**”) with the aggregate principal amount of HK\$20 million issued by the Company (the “**Promissory Note**”), which was addressed to the Company.



It was stated in the Demand Letter that (among other things):

- (i) there is a material adverse change in the financial condition of the Company as the consolidated net profit for the six months ended 30 June 2024 has been significantly decreased; and
- (ii) the PN Holder demand the immediate repayment of the total outstanding sum of approximately HK\$20.3 million (the “**Outstanding Sum**”) in relation to the Promissory Note within 14 days of the date of the Demand Letter.

As at 30 June 2024, the Company had an outstanding trade and other payables of approximately HK\$214.1 million, loan from ultimate holding company of approximately HK\$50.0 million, bank and other borrowings of approximately HK\$16.0 million, promissory note of approximately HK\$39.3 million and corporate bonds of approximately HK\$50.5 million, while the bank balances and cash amounted to approximately HK\$12.2 million. Based on the above, the board of directors of the Company were of the view that the Company may not be able to repay the Outstanding Sum by the date as demanded in the Demand Letter.

Subsequently, the Company received a statutory demand (the “**10 October 2024 Statutory Demand**”) dated 10 October 2024 from the legal adviser acting on behalf of the PN Holder pursuant to Section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of Laws of Hong Kong), demanding the Company to pay the amount of HK\$20,316,438, being the principal amount of the Promissory Note issued by the Company to the PN Holder together with interest accrued thereon, within 3 weeks from the date of the service of the 10 October 2024 Statutory Demand, failing which the PN Holder may present a winding up petition against the Company.

After the receipt of the 10 October 2024 Statutory Demand received by the Company on 10 October 2024, a creditor who has continued to provide financial support to the Company for business development and daily operation of the Group by way of financial advance (the “**Advance**”) since 12 August 2021 to 31 July 2024, demanded the immediate repayment of the Advance. In view of the limited financial resources, the Company, at its best endeavor, negotiated with the creditor. On 12 October 2024, the Company reached the agreement with the creditor and issue a promissory note in the principal amount of HK\$51,250,000 which carries an interest rate of 3% per annum to the creditor to settle the Advance.

After the receipt of the 10 October 2024 Statutory Demand received by the Company on 10 October 2024, the Company received a demand letter (the “**Second Demand Letter**”) dated 14 October 2024 issued by the holder of the promissory notes (the “**Second PN Holder**”) with an aggregate principal amount of HK\$9 million issued by the Company (the “**Second Promissory Note**”), which was addressed to the Company.



It was stated in the Second Demand Letter that (among other things):

- (i) as a result of the 10 October 2024 Statutory Demand received by the Company, the Second PN Holder believes the Company had failed to repay the Promissory Note as demanded in the 10 October 2024 Statutory Demand, which constitutes an event of default under the Second Promissory Note; and
- (ii) the Second PN Holder demand the immediate repayment of the total outstanding sum of approximately HK\$9.2 million in relation to the Second Promissory Note within 7 days of the date of the Second Demand Letter.

On 18 October 2024 (after trading hours), the Company entered into a settlement agreement (the “**Settlement Agreement**”) (supplemented by a supplemental agreement dated 31 December 2024) with the relevant creditors in relation to a debt restructuring, pursuant to which the Company has conditionally agreed to capitalise the outstanding debt of HK\$91,534,164 owed to the relevant creditors by the Company as at 15 October 2024, the relevant creditors has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the 3% unsecured convertible bonds in the aggregate principal amount of HK\$91,534,164 to the relevant creditors.

As disclosed in the announcement of the Company dated 28 March 2025, the issuance of the convertible bonds under the Settlement Agreement would result in a theoretical dilution effect of approximately 61.06%, which is higher than the 25% threshold as set out in Rule 7.27B of the Listing Rules. Pursuant to the Settlement Agreement, the completion of the Settlement Agreement is conditional upon the satisfaction of, among other things, the consent from the Stock Exchange in respect of Rule 7.27B of the Listing Rules). In view of Rule 7.27B of the Listing Rules, the Company had been negotiating with the relevant creditors for adjusting the conversion price of the convertible bonds. However, no agreement could be reached with the relevant creditors in this regard. In light of the above, the conditions precedent under the Settlement Agreement are not expected to be fulfilled. Accordingly, on 28 March 2025, the Company and the relevant creditors entered into a termination agreement to terminate the Settlement Agreement with immediate effect.

For more details of the above incidents, please refer to the announcements of the Company dated 17 September 2024, 10 October 2024, 14 October 2024, 8 January 2025, 3 February 2025, 28 February 2025 and 28 March 2025.

Apart from the borrowings of approximately HK\$1.7 million (2023: HK\$1.7 million) which were secured personal guarantee provided by certain director of a subsidiary and corporate guarantee provided by a subsidiary, others were unsecured. Short-term borrowings amounted to approximately HK\$200.3 million (2023: HK\$77.7 million), while others were long-term borrowings due after one year.

In order to support and expand the cross-border business, the Group will strive to diversify its financing sources and explore fund raising opportunities.

### **Contingent Liabilities**

The Group did not have any material contingent liabilities as at 31 December 2024.

### **Gearing Ratio**

The gearing ratio was 52.1% as at 31 December 2024 (2023: 37.0%). The gearing ratio is arrived at by dividing the total external financing debt by total assets at the end of the corresponding year.

### **Pledge of Assets**

As at 31 December 2024, assets in the net book value of HK\$160,000 (held under finance lease arrangement) of the Group had been pledged (2023: HK\$220,000).

### **Capital Expenditure**

For the Year, the Group incurred approximately HK\$Nil (2023: HK\$Nil) on the acquisition of property, plant and equipment.

### **Capital Commitments**

As at 31 December 2024, the Group has contracted commitment for capital contribution to investees amounting to approximately HK\$10.4 million (2023: HK\$10.8 million).

### **Foreign Exchange Exposure**

In respect of the cross-border business, the Group is mainly exposed to the currency risk of HK\$/US\$/RMB, the Group considers its exposure to foreign currency risk is primarily in the fluctuation of RMB against HK\$/US\$ and HK\$ against RMB.

In respect of the finance leasing business, the Group's receipts, payments and operating expenses are all transacted in RMB, in which the Group expects the currency risks would be insignificant.

The Group currently does not have a foreign currency hedging policy. The Group will monitor its foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arises.

## **Final Dividend**

The Board has resolved not to declare any final dividend for the year ended 31 December 2024 (2023: Nil).

## **Compliance with Relevant Laws and Regulations**

During the Year, as far as the Group is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

## **Employee and Remuneration Policy**

As at 31 December 2024, the Group has a total workforce of approximately 16 employees (2023: 29) in Hong Kong and the PRC.

Remuneration policies of the Group are determined with reference to performance, qualification and experience of the staff as well as the operating results of the Group and the current market condition with salaries and wages being reviewed on an annual basis. The Group also provides discretionary bonus, medical insurance, social security and provident fund to the staff of the Group.

## **Material Events**

### ***Strategic Cooperation Agreement***

On 27 May 2024, the Company entered into a strategic cooperation agreement (“**Strategic Cooperation Agreement**”) with Shenzhen Yuanshijie Technology Co., Limited\* (深圳市元視界科技有限公司) (“**Yuanshijie**”), a company established under the laws of the People’s Republic of China (“**PRC**”) which mainly operates the business of software development, data analysis and development of artificial intelligence technology. The Strategic Cooperation Agreement shall be effective for a term of one year.

Pursuant to Strategic Cooperation Agreement, the Company and Yuanshijie will cooperate on various matters including but not limited to research and development on artificial intelligence technology and respective software development and its applications in cross-border business, financial and other areas. The Company and Yuanshijie will also explore the use of big data to enhance our competitiveness and upgrade our services in cross-border business. The Strategic Cooperation Agreement represents the intention of the parties to cooperate only and does not have any legal effect. As of the date of this announcement, no legal binding agreement has been signed by the Company with Yuanshijie.

The Board is of the view that entering into the Strategic Cooperation Agreement will enable the Company to leverage on the strength, resources and experience of Yuanshijie as a software development, data analysis and development of artificial intelligence technology company in the PRC to (i) broaden the Company's business mix; (ii) enhance our competitiveness and upgrade our services in cross-border business; and (iii) maximise the Company's business values and the interest of the shareholders of the Company.

For details of the Strategic Cooperation Agreement, please refer to the announcement of the Company dated 27 May 2024.

### ***Changes in Board and Board Committees Composition and Non-Compliance***

References are made to the announcements of the Company dated 26 June 2024 and 27 June 2024 ("**Announcements**") in relation to, among others, (i) the retirement of executive Director and independent non-executive Directors, (ii) the change of composition of board committees, and (iii) the non-compliance with the Listing Rules and terms of reference of board committees. Unless otherwise defined, capitalised terms used herein shall have the same meanings as used in the Announcements.

As disclosed in the Announcements, Mr. Zhou Yihong ("**Mr. Zhou YH**"), Ms. Huang Chunlian ("**Ms. Huang**"), Mr. Zhou Zhencun ("**Mr. Zhou ZC**") and Mr. Chen Yongping ("**Mr. Chen**") retired at the AGM held on 26 June 2024 in accordance with the bye-laws of the Company. As the resolutions for re-election of Mr. Zhou YH, Ms. Huang, Mr. Zhou ZC and Mr. Chen were not approved by the Shareholders at the AGM, Mr. Zhou YH has retired as an executive Director and each of Ms. Huang, Mr. Zhou ZC and Mr. Chen has retired as an independent non-executive Director with effect from the conclusion of the AGM (the "**Retirement**"). Following the Retirement:

- (i) Mr. Zhou YH has ceased to be a member of the Remuneration Committee of the Company and the Nomination Committee of the Company;
- (ii) Ms. Huang has ceased to be a chairman of the Remuneration Committee and a member of the Audit Committee of the Company and the Nomination Committee
- (iii) Mr. Zhou ZC has ceased to be a chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee; and
- (iv) Mr. Chen has ceased to be a chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

Moreover, following the Retirement:

- (i) the number of independent non-executive Directors fell below the minimum number required under Rules 3.10 of the Listing Rules;
- (ii) the Board comprises one executive Director. As such, the number of independent non-executive Directors fell below one-third of the Board as required under Rule 3.10A of the Listing Rules;
- (iii) the number of members of the Audit Committee fell below the minimum number required under Rule 3.21 of the Listing Rules;
- (iv) the composition the Remuneration Committee failed to meet the requirements Under Rule 3.25 of the Listing Rules;
- (v) the composition the Nomination Committee failed to meet the requirements under rule 3.27A of the Listing Rules;
- (vi) the number of members of each of the Audit Committee, Remuneration Committee and Nomination Committee fell below the minimum number required under the respective terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee; and
- (vii) the number of Directors fell below the minimum number required under bye-law no. 83(1) of the bye-laws of the Company.

Following the Retirement and at the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:41 a.m. on 27 June 2024, pending the release of the announcement dated 27 June 2024 containing inside information of the Company in relation to the retirement of Directors. The trading in the shares of the Company on the Stock Exchange resumed from 9:00 a.m. on 28 June 2024.

Following the Retirement, the new independent non-executive Director, Mr. Sin Ka Man, has been appointed with effect from 29 August 2024, who is also appointed as the chairman of the Audit Committee and a member of both the Remuneration Committee and the Nomination Committee.

Referring to the announcement of the Company dated 30 August 2024, following the appointment of Mr. Sin Ka Man, there were two Directors on the Board and only one of them serves on the Audit Committee as its chairman. As such, the Audit Committee lacked the necessary quorum to convene a meeting to approve the 2024 interim results and 2024 interim report of the Group. As a result, additional time was required for restoring the functionality of the Audit Committee. Therefore, the publications of the 2024 interim results of the Group and this announcement was delayed. Pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules, and the suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. Accordingly, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 September 2024 until the announcement in relation to the 2024 interim results of the Group was published by the Company on 15 September 2024. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 16 September 2024.

With effect from 2 September 2024, Ms. Liang Lina has been appointed as an independent non-executive Director, the chairperson of the Nomination Committee and a member of both the Remuneration Committee and the Audit Committee. With effect from 3 September 2024, Mr. Chen Yifan has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of both the Nomination Committee and the Audit Committee.

Following the appointment of Mr. Chen Yifan, the Board comprises four members, including one executive Director and three independent non-executive Directors. As such:

- (i) the number of Directors meets the minimum number required under bye-law no. 83(1) of the bye-laws of the Company;
- (ii) the number of independent non-executive Directors fulfills the requirement of at least one-third of the Board under Rule 3.10A of the Listing Rules;
- (iii) the number of independent non-executive Directors has reached the minimum number required under Rules 3.10 of the Listing Rules;
- (iv) the number of members of the Audit Committee has reached the minimum number required under Rule 3.21 of the Listing Rules;

- (v) the composition the Remuneration Committee fulfills the requirements under Rule 3.25 of the Listing Rules;
- (vi) the composition the Nomination Committee fulfills the requirements under Rule 3.27A of the Listing Rules; and
- (vii) the number of members of each of the Audit Committee, Remuneration Committee and Nomination Committee has reached the minimum number required under their respective terms of reference.

### ***Trading Suspensions and Resumptions***

The following is a description of the trading suspensions and resumptions of the Company during the Year and up to the date of this announcement:

Trading in the shares of the Company (the “**Shares**”) on the Stock Exchange was halted with effect from 9:41 a.m. on 27 June 2024, pending the release of the inside information of the Company in relation to the retirement of directors of the Company on 26 June 2024. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 28 June 2024.

Due to the delay in the publication of the announcement of the 2024 interim results by the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 September 2024 until the publication of the announcement of the 2024 interim results by the Company on 15 September 2024. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 16 September 2024.

Trading in the Shares on the Stock Exchange was suspended with effect from 17 September 2024 pending the publication of inside information announcement in relation to the receipt of a demand letter by the Company on 16 September 2024. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 19 September 2024.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 21 October 2024 pending the publication of an inside information announcement in relation to, among others, (i) the proposed debt restructuring involving issue of convertible bonds under specific mandate; (ii) application of whitewash waiver, and (iii) special deal in relation to the payment of shareholder’s loan. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 9 January 2025.



Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 March 2025 pending the publication of an inside information announcement in relation to, among others, the receipt of a statutory demand by the Company on 3 March 2025. Trading in the Shares on the Stock Exchange was resumed with effect from 9:00 a.m. on 11 March 2025.

Due to the delay in the publication of the announcement of the 2024 annual results by the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2025 until the publication of the announcement of the 2024 annual results by the Company. The announcement in relation to the 2024 annual results has now been published. Nonetheless, at the request of the Company, trading in the Shares on the Stock Exchange will continue to be halted pending the release of an announcement in relation to inside information of the Company.

For details of the abovementioned trading suspensions and resumptions, please refer to the announcements of the Company dated 27 June 2024, 30 August 2024, 16 September 2024, 17 September 2024, 18 October 2024, 8 January 2025, 10 March 2025, 27 March 2025, 1 April 2025 and 17 June 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

### **Events After the End of the Reporting Period**

Details of the development of the debt restructuring proposed to be carried out by the Company after the Reporting Period are set out under the heading "Liquidity, Financial Resources and Capital Structure" on page 21 of this announcement.

Details of the receipt of statutory demand by the Company on 3 March 2025 and subsequent withdrawal of the statutory demand by the holder of the relevant convertible bonds of the Company after the Reporting Period are set out under the heading "Liquidity, Financial Resources and Capital Structure" on page 22 of this announcement.

Details of the trading suspensions and resumptions of the Company after the Reporting Period are set out under the heading "Trading Suspensions and Resumptions" on page 31 of this announcement.



## **Key Risks and Uncertainties**

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

### ***Market Risks***

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### ***Foreign Exchange Rates Risk***

As our Group's assets and liabilities were mainly denominated in HK\$, US\$ and RMB, in view of the potential RMB exchange rate fluctuations, our Group will continue to closely monitor the exposure and take any actions when appropriate.

### ***Interest Rate Risk***

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

### ***Liquidity Risk***

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

### ***Operational Risk***

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

### ***Investment Risk***

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

Proper authorization system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

### ***Manpower and Retention Risk***

Our Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of our Group. Our Group will provide attractive remuneration package to suitable candidates and personnel.

### **Future Plans for Material Investments**

To maintain a sufficient level of operations and assets of sufficient value to support its operations, the Group has been exploring ways to improve its financial performance and to broaden the sources of revenue within acceptable risk level. Hence, the Company does not rule out the possibility of investing in or extending to other business as long as it is in the interest of the Company and the shareholders as a whole. Meanwhile, the Company does not preclude the possibility that the Company may implement debt and/or equity fund raising plan(s) to satisfy the financing needs arising out of any business development of the Group as well as to improve its financial position in the event that suitable fund raising opportunities arise, as the Company has from time to time been approached by investors for potential investment projects. In these regards, the Company will publish announcement as and when appropriate according to applicable rules and regulations.

## **Outlook and Prospect**

According to the latest market research data, the global cross-border e-commerce market size is projected to exceed HK\$18 trillion in 2025, with China's market share continuing to expand to approximately 62%. The compound annual growth rate (CAGR) for cross-border transactions of nutritional and healthcare products remains high at 28%, with particularly explosive growth in demand for mid-to-high-end functional nutritional supplements. The continuous improvement of Chinese consumers' health awareness, coupled with the formation of an aging social structure, is driving the cross-border health industry into a golden period of development.

Hong Kong, as the central hub of the Guangdong-Hong Kong-Macao Greater Bay Area, is undergoing comprehensive upgrades to its cross-border e-commerce infrastructure under the "Digital Silk Road" initiative. The implementation of the "Smart Port 3.0" system in 2025 will bring customs clearance efficiency down to the minute, while the expanded cold chain logistics capacity at Hong Kong International Airport further consolidates its position as Asia-Pacific's health product trading center. Against the backdrop of deepening dual circulation (domestic and international), Hong Kong's distinctive free port policy and digital trade ecosystem are accelerating its transformation from a traditional trade transit point into a global digital service platform for health products.

The current market exhibits two distinctive characteristics: On one hand, the deep integration of social commerce and content marketing has made health product purchasing decisions more contextualized and emotion-driven. On the other hand, the maturation of blockchain traceability and AI-powered personalized recommendation technologies is transforming cross-border shopping experiences from mere transactions to full-chain service upgrades. With the full implementation of RCEP tariff benefits and the continuous expansion of China's cross-border e-commerce positive list, Hong Kong enterprises possess unique strategic value in integrating global premium health resources with China's consumption upgrade demands. These structural transformations will continue to reshape the cross-border health industry ecosystem, creating broader development opportunities for companies with omnichannel service capabilities.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company had complied throughout the year ended 31 December 2024 with the code provisions set out in the CG Code contained in Appendix C1 of the Listing Rules.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standard as set out in the Model Code regarding securities transactions by the directors during the year ended 31 December 2024.

## SCOPE OF WORK OF MCMILLAN WOOD (HONG KONG) CPA LIMITED

The figures in respect of this preliminary announcement of the Group’s results for the year ended 31 December 2024 have been compared by the Company’s auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group’s financial statements for the year and the amounts were found to be in agreement. The work performed by McMillan Woods in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor on this preliminary announcement of results.

## AUDIT COMMITTEE

The Company established audit committee of the Company (the “**Audit Committee**”) on 11 October 2011 which is primarily responsible for overseeing the relationship between the Company and its external auditor in relation to the matters coming within the scope of the Group’s audit; reviewing the Group’s financial reporting process, adequacy and effectiveness of the Group’s internal control system and risk management system. The terms of reference of the Audit Committee which describe the authorities and duties of the Audit Committee were prepared and adopted with reference to “A Guide for the Formation of an Audit Committee” published by the HKICPA and were posted on the Company’s website.

The Audit Committee comprises three independent non-executive directors, namely, Mr. Sin Ka Man, Ms. Liang Lina and Mr. Chen Yifan; and is chaired by Mr. Sin Ka Man.

The Audit Committee has reviewed and has agreed with the auditor of the Company on the annual results of the Group for the year ended 31 December 2024.

## **PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE**

According to the Listing Rules, the 2024 Annual Report of the Company shall contain all information as required by the Listing Rules and will be published on the Company's website at [www.1152.com.hk](http://www.1152.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

## **CONTINUED SUSPENSION OF TRADING**

Reference is made to the announcement of the Company dated 27 March 2025 in relation to the delay in publication of 2024 Annual Results and despatch of 2024 Annual Report, postponement of board meeting and possible suspension of trading (the “**27 March 2025 Announcement**”) and the announcement of the Company dated 30 June 2025 in relation to the postponement of board meeting (the “**30 June 2025 Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as used in the 27 March 2025 Announcement and the 30 June 2025 Announcement. At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025 until the announcement in relation to the 2024 Annual Results is published by the Company. The announcement in relation to the 2024 Annual Results has now been published. Nonetheless, at the request of the Company, trading in the shares of the Company on the Stock Exchange will continue to be halted pending the release of an announcement in relation to inside information of the Company.

On behalf of the Board  
**Momentum Financial Holdings Limited**  
**Mr. Chu Kin Wang Peleus**  
*Executive Director*

Hong Kong, 5 July 2025

*As at the date of this announcement, the Board comprises one executive director of the Company, namely, Mr. Chu Kin Wang Peleus; and three independent non-executive directors of the Company, namely, Mr. Sin Ka Man, Ms. Liang Lina, Mr. Chen Yifan.*