

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY OF RESULTS

The board (the “Board”) of directors (the “Directors”) of Greater China Financial Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Revenue	4		
Contracts with customers		19,017	42,930
Interest under effective interest method		–	6,480
Total revenue		19,017	49,410
Cost of sales		(176)	(12,465)
Gross profit		18,841	36,945
Other income, gains and losses	6	10,843	63,984
Administrative and other operating expenses		(49,914)	(69,187)
Share-based payment expenses		–	(603)
Provision for financial guarantees		(80,507)	(50,177)
Impairment loss, net of reversal	7	(70,138)	(406,222)
Impairment loss on goodwill		–	(110,070)
Impairment loss on right-of-use assets		(163)	–
Finance costs	8	(39,742)	(37,234)
Loss before taxation		(210,780)	(572,564)
Income tax expense	9	–	(42,661)
Loss for the year	10	(210,780)	(615,225)

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Other comprehensive income (expense), net of tax			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income		(37)	(4,422)
<i>Item that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		20,897	2,778
Release of translation reserve upon deregistration of subsidiaries		(2)	10
Other comprehensive income (expense) for the year		<u>20,858</u>	<u>(1,634)</u>
Total comprehensive expense for the year		<u>(189,922)</u>	<u>(616,859)</u>
Loss for the year attributable to:			
Owners of the Company		(113,482)	(472,487)
Non-controlling interests		(97,298)	(142,738)
		<u>(210,780)</u>	<u>(615,225)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(99,737)	(468,878)
Non-controlling interests		(90,185)	(147,981)
		<u>(189,922)</u>	<u>(616,859)</u>
		HK cents	HK cents
Loss per share	12		
Basic		<u>(1.46)</u>	<u>(6.08)</u>
Diluted		<u>(1.46)</u>	<u>(6.08)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		41,346	51,739
Right-of-use assets		17,486	18,774
Intangible assets		–	–
Interests in associates		–	–
Financial assets at fair value through other comprehensive income		479	516
Financial assets at fair value through profit or loss	13	–	189,924
Pledged bank deposits		–	5,502
Other receivables	14	–	2,607
		<u>59,311</u>	<u>269,062</u>
Current assets			
Loans and interest receivables		433	36,291
Trade and other receivables	14	15,452	61,975
Prepayments and deposits		8,137	8,040
Loans to and interest receivables from a non-controlling interest		–	–
Loans to and interest receivables from an associate		–	–
Financial assets at fair value through profit or loss	13	–	3,378
Restricted bank deposits		6,198	6,396
Pledged bank deposit		5,321	–
Cash and cash equivalents		30,072	31,985
		<u>65,613</u>	<u>148,065</u>

		2024	2023
	Notes	HK\$'000	HK\$'000
Current liabilities			
Trade payables, other payables, deposits received and accruals	15	122,539	103,000
Contract liabilities		170	434
Lease liabilities		81	918
Liabilities from financial guarantees	16	504,010	437,869
Amount due to non-controlling interests		10,974	11,167
Borrowings	17	222,138	123,763
Convertible notes	18	22,271	–
Tax payables		21,064	21,866
		<u>903,247</u>	<u>699,017</u>
Net current liabilities		<u>(837,634)</u>	<u>(550,952)</u>
Total assets less current liabilities		<u>(778,323)</u>	<u>(281,890)</u>
Non-current liabilities			
Lease liabilities		46	–
Borrowings	17	63,320	163,939
Convertible notes	18	–	205,938
		<u>63,366</u>	<u>369,877</u>
Net liabilities		<u>(841,689)</u>	<u>(651,767)</u>
Capital and reserve			
Share capital	19	7,776	7,776
Reserves		<u>(742,137)</u>	<u>(642,400)</u>
Deficit attributable to owners of the Company		<u>(734,361)</u>	<u>(634,624)</u>
Non-controlling interests		<u>(107,328)</u>	<u>(17,143)</u>
Total deficit		<u>(841,689)</u>	<u>(651,767)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business in Hong Kong has changed from Suites 3612-16, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong to 28/F., Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong.

The Group is principally engaged in investment holding, industrial property development, general trading of consumable goods, insurance brokerage, asset management and loan financing operation including the provision of loan financing, financial guarantee services, loan referral and consultancy services.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Unavailability of Books and Records of certain subsidiaries of the Group relating to the loan financing business in Beijing

Since July 2024, the Directors have been unable to obtain access to the accounting books and records, and supporting documents, including bank statements and operational data (the “Books and Records”) in spite of repeated attempts made to the local management (the “Responsible Persons”) of nine indirect wholly-owned subsidiaries of the Company (collectively as the “Subject Subsidiaries”) who were responsible for preparing and maintaining the Books and Records of the Subject Subsidiaries due to certain remuneration-related disputes (the “Disputes”).

The Subject Subsidiaries are 北京晟峰惠諮詢有限公司 and its three wholly-owned subsidiaries, namely 北京新和峰控股有限公司 (formerly known as “北京決策尚諾科技集團有限公司”), 北京安家世行融資擔保有限公司 and 霍爾果斯安家世行企業諮詢服務有限公司; and 北京鼎匯通美諮詢有限公司 and its four wholly-owned subsidiaries, namely, 北京信諾微資產管理有限公司, 深圳信諾微商業保理有限公司, 霍爾果斯諾微企業管理諮詢有限公司 and 霍爾果斯諾立企業諮詢服務有限公司.

The Subject Subsidiaries were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing. The issue arose due to remuneration-related disputes, resulting in non-cooperation from the local management and staff and, consequently, their failure to provide the Books and Records to the Group.

For the period from July 2024 to August 2025, the Directors had been actively communicated with the Responsible Persons to resolve the Disputes, such as by confirming the relevant employee list, the amount overdue, and their respective bank accounts etc. In September 2025, the Group settled the overdue wages but still, the Responsible Persons neither provided any Books and Records of the Subject Subsidiaries to the Group, nor did they respond to the Directors. On 25 September 2025, the Directors had decided to initiate legal actions towards the Responsible Persons and all relevant parties, with the assistance of the legal advisor.

In October 2025, the Responsible Persons were removed from the authorised representative and the director position of 北京晟峰惠諮詢有限公司 and 北京新和峰控股有限公司, the new official corporate seals were re-obtained.

Up to the date of approval of these consolidated financial statements, in light of the above, the Directors were still unable to access the Books and Records of the Subject Subsidiaries. The Directors considered that, with the assistance of the legal advisor, they had made their best efforts and all reasonable steps were taken.

In view of the unavailability of the Books and Records and for the purposes of the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, the Directors considered there was no material transaction of the Subject Subsidiaries for the six months' period from 1 July 2024 to 31 December 2024, and have determined to consolidate the Subject Subsidiaries based primarily on the carrying amounts of their assets and liabilities and their results and cash flows as at and for the six months' period ended 30 June 2024 ("Relevant Records").

The Relevant Records included in the consolidated financial statements of the Group for the years ended 31 December 2024 and 2023 are as follows:

Income and expenses and other comprehensive income:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Turnover	–	8,218
Cost of sales	–	(3,996)
Other income, gains and losses	–	12,400
Administrative and other operating expenses	(1,848)	(4,443)
Provision for financial guarantees	–	(76,585)
Impairment loss, net of reversal	(829)	(193,099)
Finance costs	–	(145)
Income tax credit	–	2
	<hr/>	<hr/>
Loss for the year	(2,677)	(257,648)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	15,875	5,937
	<hr/>	<hr/>
Total comprehensive income (expense) for the year	13,198	(251,711)
	<hr/> <hr/>	<hr/> <hr/>

Assets and liabilities:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Assets		
Property, plant and equipment	362	375
Loans and interest receivables	433	448
Trade and other receivables	4,383	5,388
Prepayments and deposits	3,163	3,270
Restricted bank deposits	6,172	6,381
Cash and cash equivalents	4,428	4,579
	<hr/>	<hr/>
Total assets	18,941	20,441
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Other payables, deposits received and accruals	33,880	33,192
Contract liabilities	86	89
Liabilities from financial guarantees	419,058	433,281
Borrowings	3,193	3,301
	<hr/>	<hr/>
Total liabilities	456,217	469,863
	<hr/> <hr/>	<hr/> <hr/>

The Relevant Records included in the consolidated cash flows statement of the Group for the years ended 31 December 2024 and 2023 are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Operating activities		
Loss before taxation	(2,677)	(257,650)
Adjustments for:		
Depreciation of property, plant and equipment	–	272
Depreciation of right-of-use assets	–	122
Interest income	–	(7,847)
Provision for financial guarantees	–	76,585
Impairment loss, net of reversal	829	193,099
Finance costs	–	145
Loss on disposal of subsidiaries	–	116
Gain on lease termination	–	(4,669)
Operating cash flows before movements in working capital	(1,848)	173
Decrease in trade and other receivables	421	2,799
Increase in prepayments and deposits	–	(553)
Increase in loans to and interest receivables from an associate	–	(2,597)
Decrease in restricted bank deposits	–	6,984
Increase (decrease) in trade payables, other payables, deposits received and accruals	1,828	(8,321)
Increase in contract liabilities	–	41
Decrease in liabilities from financial guarantees	–	(3,713)
Cash generated from (used in) operations	401	(5,187)
Income tax refund	–	2
Net cash generated from (used in) operating activities	401	(5,185)
Investing activity		
Interest received	–	22
Net cash generated from investing activity	–	22
Financing activities		
Proceeds from borrowings	–	3,324
Repayment for lease liability	–	(512)
Net cash generated from financing activities	–	2,812
Net increase (decrease) in cash and cash equivalents	401	(2,351)
Cash and cash equivalents at 1 January	4,579	5,603
Effect of foreign exchange rate changes	(552)	1,327
Cash and cash equivalents at 31 December	4,428	4,579
Analysis of the balances of cash and cash equivalents:		
Cash and cash equivalents	4,428	4,579

Going concern basis

The Group reported a loss attributable to the owners of the Company of HK\$113,482,000 for the year ended 31 December 2024. The Group's current liabilities exceeded its current assets by HK\$837,643,000 and its total liabilities exceeded its total assets by HK\$841,689,000 as at 31 December 2024. As at the same date, the Group's cash and cash equivalents amounted to HK\$30,072,000, while the Group recorded current borrowing of approximately HK\$222,138,000, accrued interest payables of approximately HK\$36,619,000 and convertible notes of approximately HK\$22,271,000. The Group has provided guarantees to some of its customers' lenders in relation to these customers' facilities and loans amounting to approximately HK\$504,010,000 were defaulted and provision for litigation liabilities amounting to approximately HK\$6,630,000. Besides, current borrowings of approximately HK\$202,450,000 as at 31 December 2024 were in default as at the date of this announcement.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to improve the liquidity pressure and to improve its financial position, but are not limited to, the following:

- (i) The Group is actively negotiating with potential party to dispose of the subsidiaries engaged in the provision of financial guarantee business in the Beijing as the business incurred significant portion of the overall liabilities of the Group;
- (ii) The Group is taking measures to tighten cost control with an aim to attain positive cash flow from operations; and
- (iii) The Group is considering corporate restructure proposals to reduce the liabilities and commitment within the Group.

These conditions, and the measures taken by the Directors, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

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

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

4. REVENUE

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

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers:		
Warehouse storage income	14,669	16,580
Income from loan financing business		
– Loan referral and consultancy services fee	555	13,245
– Guarantee fee income from financial guarantees	–	8,214
Commission income from securities dealing	–	55
Commission income from insurance brokerage	3,125	3,632
Commission income from asset management	19	44
Advertising income	649	1,160
	<u>19,017</u>	<u>42,930</u>
Revenue from interest under effective interest method:		
Interest income from loan financing	–	6,480
	<u>–</u>	<u>6,480</u>
Total revenue	<u>19,017</u>	<u>49,410</u>

5. SEGMENT INFORMATION

The Group's operations are organised into asset management, insurance brokerage, loan financing, industrial property development business and general trading. Information reported to the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group is organised into the following reportable and operating segment:

- Industrial property development segment represents the operation of a warehouse in the People's Republic of China (the "PRC").
- General trading segment includes trading of consumable goods in the PRC.
- Loan financing segment represents the provision of financial guarantee, loan financing, micro-financing, loan referral and consultancy services in Hong Kong, Ningbo and Beijing.
- Others segment represents the operation of provision of asset management services and provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC.

Segment revenues and results

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

For the year ended 31 December 2024

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE FROM CUSTOMERS					
Recognised at a point in time	–	–	–	3,144	3,144
Recognised over time	14,669	–	555	649	15,873
	<u>14,669</u>	<u>–</u>	<u>555</u>	<u>3,793</u>	<u>19,017</u>
SEGMENT RESULTS	<u>(3,480)</u>	<u>(1,080)</u>	<u>(169,212)</u>	<u>(475)</u>	<u>(174,247)</u>
Reversal of impairment loss on loans to and interest receivables from a non-controlling interest	–	–	16	–	16
Impairment loss on other receivables	–	(5,247)	–	–	(5,247)
Unallocated corporate income					709
Unallocated corporate expenses					(20,575)
Unallocated finance costs					(18,971)
Net fair value change on financial assets at fair value through profit or loss					7,698
Impairment loss on right-of-use assets					<u>(163)</u>
Loss before taxation					(210,780)
Income tax expense					<u>–</u>
Loss for the year					<u><u>(210,780)</u></u>

For the year ended 31 December 2023

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE					
Revenue from customers within the scope of HKFRS 15					
Recognised at a point in time	–	–	4	3,731	3,735
Recognised over time	16,580	–	21,455	1,160	39,195
Recognised from other source					
Interest revenue	–	–	6,480	–	6,480
	<u>16,580</u>	<u>–</u>	<u>27,939</u>	<u>4,891</u>	<u>49,410</u>
SEGMENT RESULTS	<u>(3,758)</u>	<u>(1,904)</u>	<u>(411,003)</u>	<u>(2,083)</u>	<u>(418,748)</u>
Impairment loss on goodwill	–	–	(110,070)	–	(110,070)
Impairment loss on loans to and interest receivables from associates	–	–	(41,105)	–	(41,105)
Impairment loss on other receivables					(12,932)
Unallocated corporate income					52,863
Unallocated corporate expenses					(22,948)
Unallocated finance costs					(17,397)
Net fair value change on financial assets at fair value through profit or loss					(1,624)
Share-based payment expenses					(603)
Loss before taxation					(572,564)
Income tax expense					(42,661)
Loss for the year					<u>(615,225)</u>

All of the segment revenues reported above are from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 31 December 2024

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	63,100	14,076	31,973	9,382	118,531
Loans to and interest receivables from a non-controlling interest	–	–	–	–	–
Unallocated cash and cash equivalents					4,590
Unallocated other receivables, prepayments and deposits					1,324
Unallocated financial assets at fair value through other comprehensive income					479
					<hr/>
Consolidated total assets					124,924 <hr/>
LIABILITIES					
Segment liabilities	69,923	16,147	802,088	4,661	892,819
Unallocated other payables					6,149
Unallocated borrowings					34,400
Unallocated amount due to non-controlling interests					10,974
Unallocated convertible notes					22,271
					<hr/>
Consolidated total liabilities					966,613 <hr/>

At 31 December 2023

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	77,366	15,489	103,610	6,481	202,946
Loans to and interest receivables from a non-controlling interest	–	–	–	–	–
Unallocated cash and cash equivalents					3,206
Unallocated property, plant and equipment					135
Unallocated other receivables, prepayments and deposits					17,022
Unallocated financial assets at fair value through other comprehensive income					516
Unallocated Financial assets at fair value through profit or loss					193,302
					<hr/>
Consolidated total assets					417,127
					<hr/> <hr/>
LIABILITIES					
Segment liabilities	65,876	16,878	726,016	4,315	813,085
Unallocated other payables					3,433
Unallocated borrowings					34,400
Unallocated lease liabilities					871
Unallocated amount due to non-controlling interests					11,167
Unallocated convertible notes					205,938
					<hr/>
Consolidated total liabilities					1,068,894
					<hr/> <hr/>

6. OTHER INCOME, GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net fair value change on financial assets at fair value through profit or loss	7,698	(1,624)
Interest income from:		
Bank deposits	80	107
Other loans	–	7,432
Loans to a non-controlling interest	–	4,691
Other receivables	1,027	2,002
Loss on write-off of property, plant and equipment	(1,153)	–
Gain on disposal of property, plant and equipment	–	221
Gain on disposal of a subsidiary	–	145
(Loss) gain on de-registration of subsidiaries	(19)	31
Gain on lease termination	–	4,725
Gain on non-substantial modification of borrowings	–	146
Gain on substantial modification of financial asset	–	40,781
Net foreign exchange (loss) gain	(14)	4
Service fee income	6,090	4,487
Bad debt recovered	–	222
Provision for litigation liabilities	(2,986)	–
Sundry income	120	614
	<u>10,843</u>	<u>63,984</u>

7. IMPAIRMENT LOSSES, NET OF REVERSAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss (reversal of impairment loss) recognised on:		
– Trade receivables and other receivables	33,055	52,188
– Loans and interests receivables	34,600	302,743
– Other deposits	7	4,136
– Loans to and interest receivables from a non-controlling interest	(16)	41,105
– Loans to and interest receivables from an associate	–	(436)
– Amounts due from associates	2,492	6,486
	<u>70,138</u>	<u>406,222</u>

Note:

The impairment assessment by the directors of the Company is based on historical observed default rates and forward-looking information that is available without undue cost or effort as well as the fair value of the collaterals pledged by the customers which is consistent with last year.

8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Effective interest on convertible notes	17,333	15,946
Interest on lease liabilities	14	371
Interest on bank loans	4,033	4,472
Interest on other loans	18,362	16,445
	<u>39,742</u>	<u>37,234</u>

9. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
Current tax:		
PRC Enterprise Income Tax	–	4,989
Under provision in prior years:		
PRC Enterprise Income Tax	–	1,410
Deferred tax:		
Current year	–	36,262
	<u>–</u>	<u>42,661</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made as the Group's subsidiaries in Hong Kong have no estimated assessable profits for the years ended 31 December 2024 and 2023.

PRC Enterprise Income Tax ("EIT") is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Under the Law of the PRC on Enterprises Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both years.

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2024 HK\$'000	2023 HK\$'000
Auditor's remuneration		
– audit services	1,250	1,400
– other services	370	350
Agency fee expenses	2,419	2,022
Commission expenses	2,490	3,162
Depreciation of right-of-use assets	686	1,634
Depreciation of property, plant and equipment	7,729	8,546
Repair and maintenance expenses	2,370	1,334
Lease payments for short-term lease not included in the measurement of lease liabilities	1,348	820
Staff costs (including directors' emoluments)	22,641	33,119

11. DIVIDENDS

No dividend was paid, declared or proposed during the years ended 31 December 2024 and 2023. The Directors did not recommend the payment of dividend in respect of the year ended 31 December 2024 (2023: nil).

12. LOSS PER SHARE

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

	2024 HK\$'000	2023 HK\$'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss and diluted loss per share	(113,482)	(472,487)
	'000	'000
Number of shares		
Weighted average number of ordinary shares	7,775,857	7,775,857

The calculation of basic loss per share is based on the loss attributable to owners of the Company, and the weighted average number of shares of approximately 7,775,857,000 ordinary shares (2023: 7,775,857,000) in issue.

Diluted loss per share for the years ended 31 December 2024 and 2023 did not assume the exercise of the outstanding share options since the exercise price of those share options was higher than the average market price of the shares in both years. No adjustment was made in calculating diluted loss per share for the years ended 31 December 2024 and 2023 as conversion of convertible notes would result in an increase in earnings per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Early redemption option on convertible notes (<i>Note 18</i>)	–	3,378
Profit guarantee and incentive payment (<i>Note a</i>)	–	189,924
	<u>–</u>	<u>193,302</u>
Analysed for reporting purposes as:		
Current assets	–	3,378
Non-current assets	–	189,924
	<u>–</u>	<u>193,302</u>

Notes:

- (a) The balance represents the profit guarantee and incentive payment in relation to the acquisition of Xin Yunlian Investment Limited (“Xin Yunlian”) and its subsidiaries and associates (“Xin Yunlian Group”). Pursuant to the sales and purchase agreement and supplementary agreement, the vendor and vendor guarantor guaranteed to the indirectly wholly-owned subsidiary of the Company that if the aggregate audited net profit after tax attributable to the Company of Xin Yunlian Group for the five years ending 31 December 2024 (the “Actual Profit”), is less than RMB153,000,000 (the “Guaranteed Profit”), the vendor and vendor guarantor will compensate the Company for the shortfall for an amount equivalent to the difference between the Guaranteed Profit and the Actual Profit multiplied by 1.2 times, the Company shall have the right to deduct the shortfall from the respective convertible notes (Note 18) at maturity date; or if in the event that the Actual Profit (subject to a cap of RMB612 million) exceeds the Guaranteed Profit, the Company agreed to issue to the vendor additional convertible notes equivalent to the difference between Guaranteed Profit and Actual Profit multiplied by 0.2 times to 0.8 times based on the Actual profit, to settle the incentive payment or pay the vendor in cash.

During the year ended 31 December 2024, the fair value gain of HK\$11,076,000 (2023: HK\$1,903,000) was recognised in profit or loss. In the opinion of the Directors, the Company has the legal right to set off the profit guarantee asset against the convertible note once the compensation amount is agreed with the Vendor. At the end of the reporting period, the profit guarantee asset was reliably measured at HK\$201,000,000, in accordance with the sales and purchase agreement. Consequently, this amount has been deducted from the carrying value of the convertible note.

14. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables arising from:		
Loan referral and consultancy services (<i>Note a</i>)	24	5,987
Financial guarantee services (<i>Note b</i>)	14,963	26,345
Insurance brokerage commission (<i>Note c</i>)	85	683
Asset management fee (<i>Note d</i>)	5	31
	<u>15,077</u>	<u>33,046</u>
Less: Impairment allowance	(13,872)	(29,728)
	<u>1,205</u>	<u>3,318</u>
Other receivables (<i>Note e and f</i>)	141,492	253,180
Less: Impairment allowance	(127,245)	(191,916)
	<u>14,247</u>	<u>61,264</u>
Total trade and other receivables	<u><u>15,452</u></u>	<u><u>64,582</u></u>
Analysed for reporting purposes as:		
Current assets	15,452	61,975
Non-current assets	–	2,607
	<u><u>15,452</u></u>	<u><u>64,582</u></u>

Notes:

- (a) The normal settlement terms of trade receivables from loan referral and consultancy services are within 30 days upon the contractual obligation being performed.
- (b) The normal settlement terms of trade receivables from financial guarantee services are mainly within 60 to 90 days upon the contractual obligation being performed.
- (c) The normal settlement terms of trade receivables from product issuers arising from the provision of insurance brokerage commission are mainly within 45 to 60 days upon the execution of the insurance policies and/or receipt of statements from product issuers.
- (d) Credit terms granted to customers of asset management fee are within 30 days or as mutually agreed between the parties.
- (e) Included in other receivables was default payment receivables of HK\$116,015,000 (2023: HK\$217,640,000) in relation to loan financing operation.

- (f) During the year ended 31 December 2023, a subsidiary of the Company raised a lawsuit in respect of outstanding deposit of RMB26,000,000 and subsequently reached a settlement agreement with a supplier who agreed to refund the deposit and made compensation to a subsidiary of the Company of RMB42,730,000 which will be settled by instalment in 22 months. The management of the Group considers that the terms of the settlement agreement are substantially different as the discounted present value of the cash flows under the new terms discounted using the original effective interest rate is different from the discounted present value of the remaining cash flows of the original financial asset by more than 10 per cent. Accordingly, such modification of terms was accounted for as an extinguishment of the original financial asset and the recognition of a new financial asset. Therefore, the Group derecognised the original deposit of RMB26,000,000 and impairment allowance of RMB26,000,000, and recognised compensation receivable amounting to RMB36,809,000 as at the date of extinguishment. The difference between the aforesaid carrying amounts of the deposit and impairment allowance derecognised and the aforesaid of the compensation receivables recognised amounting to approximately RMB36,809,000 (approximately HK\$40,781,000 was recognised as other gains as set out in note 7 at the date of modification during the year ended 31 December 2023).

An ageing analysis of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice dates, is as follows:

	2024 HK\$'000	2023 HK\$'000
0 – 30 days	86	916
31 – 60 days	–	6
61 – 90 days	–	278
Over 90 days	1,119	2,118
	1,205	3,318

The movements in impairment allowance on trade receivables are as follows:

	2024 HK\$'000	2023 HK\$'000
Balance at beginning of the year	29,728	35,700
Amounts recognised during the year	1,403	17,871
Amounts reversed during the year	–	(1)
Amounts written-off during the year	(16,284)	(22,882)
Exchange realignment	(975)	(960)
Balance at end of the year	13,872	29,728

The movements in impairment allowance on other receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	191,916	161,952
Amounts derecognised during the year	(92,720)	–
Amounts recognised during the year	33,167	34,752
Amounts reversed during the year	(1,515)	(434)
Exchange realignment	(3,603)	(4,354)
	<u>127,245</u>	<u>191,916</u>
Balance at end of the year	<u>127,245</u>	<u>191,916</u>

15. TRADE PAYABLES, OTHER PAYABLES, DEPOSIT RECEIVED AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables from:		
Insurance brokerage service (<i>Note a</i>)	501	918
Loan referral service (<i>Note b</i>)	17,416	18,011
	<u>17,917</u>	<u>18,929</u>
Total trade payables	<u>17,917</u>	<u>18,929</u>
Accrued expenses	10,339	8,054
Interest payables	36,619	19,318
Deposits received (<i>Note c</i>)	26,766	27,649
Other payables	30,898	27,620
Receipt in advance	–	1,430
	<u>104,622</u>	<u>84,071</u>
Total other payables, deposits received and accruals	<u>104,622</u>	<u>84,071</u>
Total trade payables, other payables, deposits received and accruals	<u>122,539</u>	<u>103,000</u>

Notes:

- (a) Trade payables arising from the provision of insurance brokerage services are generally settled within 30 days to 120 days upon receipt of payments from product issuers.

An ageing analysis of trade payables from insurance brokerage business at the end of the reporting period is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0 – 30 days	333	752
31 – 60 days	30	48
61 – 90 days	5	28
Over 90 days	133	90
	501	918

- (b) Trade payables arising from loan referral service are generally settled within 5 days upon receipt of invoice.

An ageing analysis of trade payables for loan referral service at the end of the reporting period is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
0 – 30 days	–	12,076
Over 90 days	17,416	5,935
	17,416	18,011

- (c) Included in deposits received was an amount of HK\$21,022,000 (2023: HK\$21,734,000) which was received from customers as collateral security for the financial guarantees issued by the Group. These deposits will be refunded to the customers upon expiry of the corresponding guarantee contracts. According to the contracts, these deposits are expected to be settled within one year.

16. LIABILITIES FROM FINANCIAL GUARANTEES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deferred income	7	8
Provision for guarantee losses	<u>504,003</u>	<u>437,861</u>
	<u>504,010</u>	<u>437,869</u>

Movement analysis of provision for guarantee losses:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	437,861	402,211
Amount recognised during the year	80,507	58,038
Amounts reversed during the year	–	(7,861)
Utilisation of provision	–	(3,713)
Exchange realignment	<u>(14,365)</u>	<u>(10,814)</u>
Balance at end of the year	<u>504,003</u>	<u>437,861</u>

17. BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank loans (<i>Note a</i>)	83,008	79,552
Other loans (<i>Note b</i>)	<u>202,450</u>	<u>208,150</u>
	<u>285,458</u>	<u>287,702</u>

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follow:

	Bank loans		Other loans	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Carrying amount repayable:				
Within one year	19,688	30,259	202,450	93,504
More than one year, but not exceeding two years	5,853	16,504	–	114,646
More than two years, but not more than five years	30,330	–	–	–
More than five years	27,137	32,789	–	–
	83,008	79,552	202,450	208,150
Less: Amounts shown under current liabilities	(19,688)	(30,259)	(202,450)	(93,504)
Amounts shown under non-current liabilities	63,320	49,293	–	114,646

Notes:

- (a) The bank loans of RMB78,000,000 (approximately HK\$83,008,000) (2023: RMB72,300,000 (approximately HK\$79,552,000)) are secured by the pledge of the Group's assets as set out in note 20 to the consolidated financial statements which carry effective interest rates ranging from 3.65 % to 4.95 % (2023: 3.65% to 4.95%) per annum.
- (b) The other loans bear interest at fixed rates ranging from 6 % to 12 % (2023: 6% to 12%) per annum and are unsecured.

18. CONVERTIBLE NOTES

Pursuant to the sale and purchase agreement and the supplementary agreement for the acquisition of Xin Yunlian Group, convertible notes with principal amounts of HK\$200,000,000 at conversion price of HK\$1.00 was issued to the vendor of Xin Yunlian Group on 31 July 2020.

The convertible notes contain three components, liability, equity and the derivative components – redemption option.

At initial recognition, the equity component of the convertible loan notes was separated from the liability component. The equity element is presented in equity heading “convertible notes equity reserve”. The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 8.22%.

The carrying amounts of convertible notes recognised at the end of the reporting period were calculated as follows:

	Convertible Notes HK\$'000
Equity component	
At 1 January 2023, 31 December 2023 and 31 December 2024	53,452
Liability component	
At 1 January 2023	189,992
Effective interest expenses	15,946
At 31 December 2023	205,938
Redemption (<i>Note</i>)	(201,000)
Effective interest expenses	17,333
At 31 December 2024	22,271
Derivative component	
At 1 January 2023	(6,905)
Loss on fair value change	3,527
At 31 December 2023	(3,378)
Loss on fair value change	3,378
At 31 December 2024	–

Note:

As Xin Yunlian Group reported significant amount of audited net loss attributable to the Group for the four years ended 31 December 2023 and continued to report a significant loss in 31 December 2024, which was less than the Guaranteed Profit as mentioned in Note 13. At the end of the reporting period, the profit guarantee asset was reliably measured at HK\$201,000,000, in accordance with the Sale and Purchase Agreement. Consequently, this amount has been offset against the carrying value of the convertible note.

19. SHARE CAPITAL

	Number of shares '000	Nominal amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.001 each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>2,109,890,000</u>	<u>2,109,890</u>
Preference shares of HK\$0.001 each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>110,000</u>	<u>110</u>
Issued and fully paid:		
Ordinary shares of HK\$0.001 each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>7,775,857</u>	<u>7,776</u>

20. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	40,650	49,447
Right-of-use assets – leasehold lands in the PRC	17,486	18,774
Bank deposit	<u>5,321</u>	<u>5,502</u>
	<u>63,457</u>	<u>73,723</u>

21. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets or liabilities as at 31 December 2024 and 2023.

22. EVENTS AFTER THE REPORTING PERIOD

A) Incident on the loan financing business in Beijing

During the year ended 31 December 2024 and up to the date of this announcement, despite that the Directors had been actively communicated with the Responsible Persons to resolve the Disputes, or even engaged the PRC legal advisor to take legal actions in September 2025 and February 2026, the Responsible Persons did not provide any Books and Records of the Subject Subsidiaries for the loan financing business in Beijing,. There was no response from the Responsible Persons nor any of the employees has been received. Further details are set out in note 3 to the consolidated financial statements and the Company's announcement dated 12 January 2026.

B) Potential litigation

In December 2024, there were several judgements issued by the court in PRC related to a guarantee provided by an indirect wholly-owned subsidiary for external obligations concluded that the subsidiary fulfilled its guarantee obligations and was required to settle RMB660,000. The Group had recognised a provision for guarantee obligations in full in note 16 of this announcement in relation to guarantees issued. Up to the date of this announcement, the amount has not been settled.

In November and December 2024, there were several judgements issued by the court in PRC related to an indirect wholly-owned subsidiary for the settlement of operating expenses and concluded that the subsidiary was required to settle the payables of HK\$6,630,000. The Group had recognised the amount in full in other payables of this announcement. Up to the date of this announcement, the amount has not been settled.

C) Potential litigation of one of the financial guarantee projects

In November 2025, an indirect wholly-owned subsidiary, Wangxin Xin Yunlian Financial Information Service (Zhejiang) Company Limited, received a legal letter claiming that the subsidiaries failed to fulfill guarantee obligations as at 31 December 2024, in an aggregate amount of RMB31.6 million. The Group had recognised a provision for guarantee obligations amounting to RMB31.6 million in note 16 of this announcement in relation to guarantees issued by subsidiaries for external obligations. The directors of the Company consider the ultimate outcome and timing of any settlement remain uncertain and could be material to future periods.

D) Acquisition of a subsidiary

On 25 April 2025, Elite Sonic Limited, a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with Ms. Ge Lijun, the spouse of Mr. Liu Kequan, the chairman, an executive Director and the substantial shareholder of the Company. Pursuant to the agreement, Elite Sonic Limited agreed to acquire 100% of the equity interest in FortuneYi Investment Limited at a consideration of HK\$1. FortuneYi Investment Limited and its subsidiaries are engaged in the production and sales of flavours and fragrances, tobacco flavours and related supplementary materials in the PRC. The acquisition was completed on 6 June 2025.

E) Disposal of subsidiaries

On 11 June 2025, Summit Yield Developments Limited, a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with an independent third party, pursuant to which, Summit Yield Developments Limited agreed to dispose of its 100% equity interest in Sunny Creation Asia Pacific Limited, and its subsidiary, Greater China Wealth & Risk Management Limited, which was principally engaged in the insurance brokerage business in Hong Kong, at a consideration of HK\$200,000. The disposal was completed on 11 June 2025.

On 23 December 2025, Rocket Wealth Investments Limited, a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with a director of Ulmus Creek Holdings Limited and Spruce Light Asset Management Company Limited and two independent third parties. Pursuant to the agreement, Rocket Wealth Investments Limited agreed to dispose of its 100% equity interest in Ulmus Creek Holdings Limited, and its subsidiary, Spruce Light Asset Management Company Limited, which was principally engaged in asset management business in Hong Kong, at a consideration of HK\$550,000. The disposal was completed on 29 December 2025.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The below sections set out an extract of the report by the auditor of the Company (the “Auditor”), regarding the consolidated financial statements of the Group for the year ended 31 December 2024.

DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

A) Limitation of scope – unavailability of Books and Records of certain subsidiaries of the Group relating to the loan financing business in Beijing

As disclosed in note 3 to the consolidated financial statements, since July 2024, the directors of the Company (the “Directors”) have been unable to obtain access to the accounting books and records, and supporting documents, including bank statements and operational data (the “Books and Records”) in spite of repeated attempts made to the local management (the “Responsible Persons”) of nine indirect wholly-owned subsidiaries of the Company (collectively as the “Subject Subsidiaries”) who were responsible for preparing and maintaining the Books and Records of the Subject Subsidiaries due to certain remuneration-related disputes (the “Disputes”).

The Subject Subsidiaries are 北京晟峰惠諮詢有限公司 and its three wholly-owned subsidiaries, namely 北京新和峰控股有限公司 (formerly known as “北京決策尚諾科技集團有限公司”), 北京安家世行融資擔保有限公司 and 霍爾果斯安家世行企業諮詢服務有限公司; and 北京鼎匯通美諮詢有限公司 and its four wholly-owned subsidiaries, namely, 北京信諾微資產管理有限公司, 深圳信諾微商業保理有限公司, 霍爾果斯諾微企業管理諮詢有限公司 and 霍爾果斯諾立企業諮詢服務有限公司.

The Subject Subsidiaries were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing. The issue arose due to remuneration-related disputes, resulting in non-cooperation from the local management and staff and, consequently, their failure to provide the Books and Records to the Group.

As disclosed in note 3 of the consolidated financial statements, the Directors have consolidated the financial information of the Subject Subsidiaries, based primarily on the carrying amounts of their assets and liabilities as at 30 June 2024 and their results and cash flows for the six months' period ended 30 June 2024 (the "Relevant Records"). The Relevant Records included a total comprehensive income of HK\$13,198,000 for the year ended 31 December 2024, total assets and total liabilities of HK\$18,941,000 and HK\$456,217,000, respectively, as at 31 December 2024. In the opinion of the Directors, it appears to them that there were no material transactions of the Subject Subsidiaries for the period from 1 July 2024 to 31 December 2024.

However, we are unable to access the Books and Records of the Subject Subsidiaries for purpose of the audit of these consolidated financial statements. As a result, we are therefore unable to obtain sufficient appropriate audit evidence to satisfy ourselves that each of the financial statement line items of the carrying amounts of assets and liabilities of the Subject Subsidiaries included in the Group's consolidated statement of financial position as at 31 December 2024, and their results and cash flows included and presented in the Group's consolidated statement of profit or loss and other comprehensive income and the Group's consolidated statement of cash flows for the year ended 31 December 2024 were free of material misstatements.

Consequently, we are also unable to determine whether any adjustments might be necessary in respect of recorded or unrecorded transactions that constitute elements making up the consolidated statement financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2024.

There were no satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters as set out above. As a result of these matters, we were unable to determine whether any adjustments might have been found to be necessary in respect of the items as set out above and the related disclosures in the consolidated financial statements.

B) Limitation of scope – appropriateness of the going concern basis of preparing the Consolidated Financial Statements

As described in note 3 to the consolidated financial statements, the Group reported a loss attributable to the owners of the Company of HK\$113,482,000 for the year ended 31 December 2024. The Group's current liabilities exceeded its current assets by HK\$837,643,000 and its total liabilities exceeded its total assets by HK\$841,689,000 as at 31 December 2024. As at the same date, the Group's cash and cash equivalents amounted to HK\$30,072,000, while the Group recorded current borrowings of approximately HK\$222,138,000, accrued interest payables of approximately HK\$36,619,000 and convertible notes of approximately HK\$22,271,000. The Group has provided guarantees to some of its customers' lenders in relation to these customers' facilities and loans amounting to approximately HK\$504,010,000 were defaulted and provision for litigation liabilities amounting to approximately HK\$6,630,000. Besides, current borrowings of approximately HK\$202,450,000 as at 31 December 2024 were in default as at the date of this announcement.

The above conditions cast significant doubt about the Group's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have carried out a detailed review of the cash flow projections of the Group for the next twelve months from the date of this announcement and have been undertaking a number of measures to improve the Group's liquidity and financial position which are set out in note 3 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the events or conditions underpinning the cash flow projections of the Group for going concern assessment are reasonable and supportable, including but not limited to the reasonableness of the management's plan in respect of the basis for achieving cash flows generating from operating activities, the successful negotiation of corporate liabilities restructuring proposals, such as the renewal of defaulted borrowings. As a result, we were unable to obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements.

There were no other satisfactory alternative audit procedures that we could perform to obtain sufficient audit evidence regarding the matters as set out above. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements. Any adjustments found to be required may have consequential significant effects on the consolidated net liabilities of the Group as at 31 December 2024 and the consolidated loss and total comprehensive expense and cash flows of the Group for the year ended 31 December 2024, and the related elements and disclosures thereof in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in investment holding, industrial property development, general trading of consumable goods, insurance brokerage, asset management and loan financing operations including the provision of loan financing, financial guarantee services, loan referral and consultancy services. The segment revenue and results of the Group for the year ended 31 December 2024 (“FY2024”) are stated in the table below:

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Segment Revenue from:		
Industrial property development	14,669	16,580
General trading	–	–
Loan financing	555	27,939
Others	3,793	4,891
	19,017	49,410
Segment loss from:		
Industrial property development	(3,480)	(3,758)
General trading	(1,080)	(1,904)
Loan financing	(169,212)	(411,003)
Others	(475)	(2,083)
	(174,247)	(418,748)

Industrial Property Development

Revenue from the segment mainly represents warehouse storage income generated from warehouse operation. The Group's warehouse is located in Taicang, Jiangsu Province, the PRC. It is divided into six units and the total area is approximately 48,600 square meters. Revenue from the warehouse operation recorded a decrease of HK\$1,911,000 from approximately HK\$16,580,000 for the year ended 31 December 2023 ("FY2023") to approximately HK\$14,669,000 for FY2024, resulting in a segment loss of approximately HK\$3,480,000 for FY2024 (FY2023: segment loss of approximately HK\$3,758,000). The decrease in revenue and the segment loss for FY2024 was mainly a result of the drop in exchange rate between Renminbi and Hong Kong dollars. The average occupancy rate of the Group's warehouse during FY2024 was 100% and was primarily used as storage of small electric and non-electric power tools. The Group's warehouse operation maintained high percentage of occupancy rate during FY2024 due to the advantageous location of its warehouse and long term relationship with the customers. The Group's management anticipates that the Group's warehouse can maintain at a near-full occupancy rate in 2025.

General Trading

For FY2024, the general trading segment recorded a loss of approximately HK\$1,080,000 (FY2023: segment loss of approximately HK\$1,904,000) despite no revenue, as the business remained suspended owing to the slow recovery of the PRC liquor market. The marked reduction in loss reflects the absence of the one-off legal and professional fees incurred in FY2023 for recovery of the outstanding deposit. Throughout the year, the Company continued to monitor market trends closely and assess potential trading opportunities, positioning itself to recommence operations once funding is secured and market conditions improve. Management remains focused on prudent cost control and will capitalise on profitable liquor-trading prospects when favourable dynamics return.

Loan Financing

Revenue from the segment for FY2024 amounted to approximately HK\$555,000 (FY2023: approximately HK\$27,939,000), while the segment recorded a loss of approximately HK\$169,212,000 (FY2023: approximately HK\$411,003,000).

The loan financing business in Beijing and Ningbo has completely stopped during FY2024. The Group is finalising the disposal of the loan financing business in Beijing which is expected to complete by early 2026 in order to carve out the loss-making and highly indebted subsidiaries.

In the meantime, the Group monitors the possibility of resuming the loan financing business in Ningbo if the micro-financing industry becomes more optimistic. Moreover, the Group's customer service team has been taking follow-up actions with its customers to collect the outstanding loans and interest receivables from the customers of loan financing business in Ningbo.

Others

Others segment represents the operation of provision of asset management services, provision of insurance brokerage and agency services in Hong Kong and advertising services in the PRC. Revenue from the segment for FY2024 was approximately HK\$3,793,000 (FY2023: approximately HK\$4,891,000), resulting in a segment loss of approximately HK\$475,000 (FY2023: approximately HK\$2,083,000). Moving forward, the Group will rigorously implement stringent cost control measures to ensure the maximization of return on assets within the others segment.

In 2025, the Group completed the disposal of its asset management business and its insurance brokerage and agency business in Hong Kong. Details of the disposal are disclosed in the section Significant Events After the Reporting Period below.

FINANCIAL REVIEW

Administrative and Other Operating Expenses

Administrative expenses include office utilities and administration, legal and professional fee, employee expenses, depreciation of right-of-use assets and property, plant and equipment and amortisation. Other operating expenses mainly consist of operating expenses of industrial property development and other segments. Administrative and other operating expenses amounted to approximately HK\$49,914,000 during FY2024, representing a decrease of approximately 27.9% or HK\$19,273,000 as compared to FY2023, mainly due to the streamlining of the Group's loan financing operations in the PRC and the Group's persistent efforts in optimizing and reforming business processes in order to reduce costs and improve operational efficiency. The Company's management will consistently implement stringent cost control measures to maintain administrative and other operating expenses at a reasonable level.

Finance Costs

Finance costs for FY2024 primarily comprised the effective interest expenses on the convertible bonds issued in connection with the 2020 acquisition of Xin Yunlian Investment Limited and its subsidiaries and associates, as well as interest expenses on bank borrowings and other loans. Total finance costs increased from approximately HK\$37,234,000 in FY2023 to approximately HK\$39,742,000 in FY2024, representing a rise of about 6.7% or HK\$2,508,000. The increase mainly reflected the replacement of lower-interest loans with higher-interest borrowings during FY2024, which raised interest expenses even though total loan balances decreased.

Liquidity and Financial Resources

The Group continued to adopt the policy of prudence in managing its working capital. During FY2024, the operations of the Group were primarily financed by internally generated cash flow from operating activities and external financing. As at 31 December 2024, the shareholder's deficit attributable to owners of the Company amounted to approximately HK\$734,361,000 (31 December 2023: approximately HK\$634,624,000), and net current liabilities of the Group amounted to approximately HK\$837,634,000 (31 December 2023: approximately HK\$550,952,000). As at 31 December 2024, the Group's cash and cash equivalents amounted to approximately HK\$30,072,000 (31 December 2023: approximately HK\$31,985,000), which were principally denominated in Hong Kong dollars and Renminbi. Current ratio as at 31 December 2024 was 0.08 (31 December 2023: 0.21).

As at 31 December 2024, the Group's total borrowings amounted to approximately HK\$285,458,000 (31 December 2023: approximately HK\$287,702,000) of which approximately HK\$222,138,000 is repayable within 1 year, approximately HK\$5,853,000 is repayable between 1 to 2 years, approximately HK\$30,330,000 is repayable between 2 to 5 years, and approximately HK\$27,137,000 is repayable over 5 years. As at 31 December 2024, the Group's borrowings denominated in Hong Kong dollars and Renminbi were approximately HK\$34,400,000 and HK\$251,058,000, respectively, and bear fixed interest rates from 3.65% to 12.00%. The gearing ratio of the Group as at 31 December 2024 and 2023 (defined as total borrowings over the Group's total equity) are not applicable due to the capital deficiency of the Group.

There was no capital commitment in respect of the acquisition and construction of property, plant and equipment as at 31 December 2024 (31 December 2023: nil). The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly in Hong Kong dollars and Renminbi. Therefore, the Group did not use any financial instruments for hedging purposes during FY2024.

Fund Investments

The Group's investment portfolio is classified as financial assets at fair value through other comprehensive income ("FVTOCI") according to HKFRS 9. The relevant carrying amounts of the financial assets at FVTOCI as at 31 December 2024 was approximately HK\$479,000 (31 December 2023: approximately HK\$516,000). The Group's investment portfolio includes listed equity in Hong Kong.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2024 (31 December 2023: nil) other than the financial guarantees issued as disclosed below.

Guarantee Issued

Financial guarantees are contracts that oblige the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for any losses incurred by the holder due to the failure of a specified debtor to make payment when due in accordance with the terms of a debt instrument. As at 31 December 2024, the liabilities from financial guarantees of the Group was approximately HK\$504,003,000 (31 December 2023: HK\$437,861,000).

Capital Structure

As at 31 December 2024, the total number of issued ordinary shares of the Company with a par value of HK\$0.001 each (the “Share(s)”) was 7,775,857,621 (31 December 2023: 7,775,857,621).

Charges on Assets

The Group’s warehouse located in Taicang, the PRC with the following carrying amount and the bank deposit had been pledged to secure general banking facilities granted to the Group:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Property, plant and equipment	40,650	49,447
Right-of-use assets	17,486	18,774
Bank deposit	5,321	5,502
	<u>63,457</u>	<u>73,723</u>

Save for the above, the Group did not charge other assets to secure its borrowings as at 31 December 2024 and 31 December 2023.

Foreign currency exposure

As confirmed by the Directors, the Group’s present operations are mainly carried out in the PRC and Hong Kong, and all of the Group’s receipts and payments in relation to the operations are denominated in Renminbi or Hong Kong dollars. The Group does not anticipate any material foreign exchange exposure and therefore no derivative financial instruments were used to hedge its foreign currency risks as at 31 December 2024 and 31 December 2023. The management will continue to monitor its foreign exchange exposure and take appropriate measures if needed.

Significant investments, material acquisitions and disposals

The Group did not hold any significant investments and did not conduct any material acquisition or disposal of subsidiaries, associates or joint ventures during FY2024 and FY2023. However, subsequent to the reporting period, the Group entered in several agreements to disposal of its insurance brokerage and asset management business in Hong Kong, as further described in the section Significant Events After the Reporting Period below.

Future plans for material investments or capital assets

As at 31 December 2024 and 31 December 2023, the Group did not have any immediate plans for material investments or capital asset acquisitions. However, subsequent to the reporting period, the Group acquired a company and its subsidiaries which are engaged in the production and sale of flavours and fragrances, tobacco flavours and supplementary materials in the PRC, as further described in the section Significant Events After the Reporting Period below.

Employees and Remuneration Policies

As at 31 December 2024, the Group had 67 employees (31 December 2023: 82 employees). Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. In addition to salary payments, the Group's staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme. As required by the regulations in the PRC, the Group makes contributions to mandatory social security funds for the benefit of the Group's employees in the PRC, including pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

DIVIDEND

The Board did not recommend the payment of any final dividend for FY2024 (FY2023: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 25 April 2025, Elite Sonic Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ms. Ge Lijun, the spouse of Mr. Liu Kequan, the chairman, an executive Director and the substantial shareholder of the Company. Pursuant to the agreement, Elite Sonic Limited agreed to acquire 100% of the equity interest in FortuneYi Investment Limited at a consideration of HK\$1. FortuneYi Investment Limited and its subsidiaries are engaged in the production and sale of flavours and fragrances, tobacco flavours and supplementary materials in the PRC. The acquisition was completed on 6 June 2025.

On 11 June 2025, Summit Yield Developments Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party. Pursuant to the agreement, Summit Yield Developments Limited agreed to dispose of its 100% equity interest in Sunny Creation Asia Pacific Limited, and its subsidiary, Greater China Wealth & Risk Management Limited, which was principally engaged in the insurance brokerage business in Hong Kong, at a consideration of HK\$200,000. The disposal was completed on 11 June 2025.

On 23 December 2025, Rocket Wealth Investments Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a director of Ulmus Creek Holdings Limited and Spruce Light Asset Management Company Limited and two independent third parties. Pursuant to the agreement, Rocket Wealth Investments Limited agreed to dispose of its 100% equity interest in Ulmus Creek Holdings Limited, and its subsidiary, Spruce Light Asset Management Company Limited, which was principally engaged in the asset management business in Hong Kong, at a consideration of HK\$550,000. The disposal was completed on 29 December 2025.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be further postponed to dates to be determined by the Board (the “AGM”) and the Notice of AGM will be published and despatched in due course. The timetable for the closure of the Register of Members for the purpose of determining the Shareholders’ eligibility to attend and vote at the AGM will be announced in separate announcement of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with the code provisions (the “Code Provision(s)”) as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as amended from time to time, except the following Code Provision: Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. After Mr. Yang Dayong retired on 18 June 2024, the role of chief executive officer of the Company was shared among the members of the Board during the reporting period. The Board shall review this arrangement from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

AUDIT COMMITTEE REVIEW

The audit committee of the Company has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for FY2024.

PURCHASE, SALE OR REDEMPTION OF SHARES

During FY2024, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 the Company's code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout FY2024.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 September 2024 and will remain suspended until further notice.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 13 February 2026

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Chen Zheng and Ms. Luo Ruishan as executive Directors; Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.