Consolidated Income Statement

For the Year Ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Revenues	6(a)	356,856	397,073
Fair value loss on investment properties	17	(53,900)	(26,700)
Other gains	7	12,003	7,342
Staff costs	8	(194,815)	(200,633)
Rebates		(61,521)	(74,476)
Advertising and promotion expenses		(6,625)	(6,923)
Operating lease charges in respect of shop premise	16	(550)	(163)
Depreciation of right-of-use assets	16	(17,077)	(23,962)
Depreciation of property and equipment	15	(4,567)	(5,283)
Net impairment losses on financial assets		(6,461)	(10,362)
Other operating costs	10	(30,676)	(33,787)
Operating (loss)/profit		(7,333)	22,126
Finance costs, net	11	(16,029)	(16,180)
(Loss)/profit before income tax		(23,362)	5,946
Income tax expense	12	(3,279)	(7,641)
Loss for the year		(26,641)	(1,695)
Loss for the year attributable to:			
Equity holders of the Company		(26,043)	(733)
Non-controlling interests		(598)	(962)
		(26,641)	(1,695)
		HK cents	HK cent
Loss per share	14		
Basic and diluted		(1.443)	(0.041)

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

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Loss for the year	(26,641)	(1,695)
Other comprehensive income for the year		
Item that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligation	1,191	24
Total comprehensive loss for the year	(25,450)	(1,671)
Total comprehensive loss for the year attributable to:		
Equity holders of the Company	(24,852)	(709)
Non-controlling interests	(598)	(962)
	(25,450)	(1,671)

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

Consolidated Balance Sheet

As at 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property and equipment	15	6,561	6,938
Right-of-use assets	16	10,017	22,839
Investment properties	17	952,900	1,006,800
Deferred income tax assets	18	13,582	10,541
		983,060	1,047,118
Current assets			
Trade and other receivables	19	114,187	89,638
Loan receivables	20	251,064	333,710
Tax recoverable		1,459	1,792
Cash and cash equivalents	21	285,998	219,181
		652,708	644,321
Total assets		1,635,768	1,691,439
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	22	180,528	180,528
Share premium	22	745,086	745,086
Reserves	23	182,979	207,831
		1,108,593	1,133,445
Non-controlling interests		2,715	6,028
Total equity		1,111,308	1,139,473

	Note	2024 HK$'000	2023 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	18	9,165	8,071
Lease liabilities	16	1,354	8,799
Bank borrowings	24	227,038	274,869
Other payables	25	5,198	6,887
		242,755	298,626
Current liabilities			
Trade and other payables	25	122,156	125,581
Amounts due to non-controlling interests	26	210	420
Lease liabilities	16	9,495	16,061
Bank borrowings	24	146,006	109,356
Current income tax liabilities		3,838	1,922
		281,705	253,340
Total liabilities		524,460	551,966
Total equity and liabilities		1,635,768	1,691,439

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 69 to 129 were approved by the Board of Directors on 31 March 2025 and were signed on its behalf.

WONG Ching Yi, Angela
Director

WONG Alexander Yiu Ming
Director

	Attributable to equity holders of the Company					
	Share capital HK$'000	Share premium HK$'000	Reserves HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2024	180,528	745,086	207,831	1,133,445	6,028	1,139,473
Loss for the year	–	–	(26,043)	(26,043)	(598)	(26,641)
Other comprehensive income						
Remeasurement of post-employment benefit obligation	–	–	1,191	1,191	–	1,191
Total comprehensive loss for the year	–	–	(24,852)	(24,852)	(598)	(25,450)
Transaction with owners						
Transaction with non-controlling interests (Note 28)	–	–	–	–	(2,715)	(2,715)
At 31 December 2024	180,528	745,086	182,979	1,108,593	2,715	1,111,308
At 1 January 2023	180,528	745,086	208,522	1,134,136	6,990	1,141,126
Loss for the year	–	–	(733)	(733)	(962)	(1,695)
Other comprehensive income						
Remeasurement of post-employment benefit obligation	–	–	24	24	–	24
Total comprehensive loss for the year	–	–	(709)	(709)	(962)	(1,671)
Transaction with owners						
Share option scheme – value of employee services (Note 29)	–	–	18	18	–	18
At 31 December 2023	180,528	745,086	207,831	1,133,445	6,028	1,139,473

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

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Net cash generated from operations	30(a)	122,620	95,249
Hong Kong profits tax paid		(3,212)	(11,314)
Interest paid		(22,661)	(21,855)
Interest element of lease payments		(735)	(893)
Net cash inflow from operating activities		96,012	61,187
Cash flows from investing activities			
Acquisition of property and equipment	15	(4,190)	(3,943)
Net cash inflow from the disposal of a subsidiary	27	–	32,448
Interest received		7,367	6,568
Net cash inflow from investing activities		3,177	35,073
Cash flows from financing activities			
Proceeds from borrowings	30(b)	102,000	–
Repayment of bank borrowings	30(b)	(113,181)	(65,726)
Principal elements of lease payments	30(b)	(18,266)	(24,138)
Transactions with non-controlling interests	28	(2,925)	–
Net cash outflow from financing activities		(32,372)	(89,864)
Net increase in cash and cash equivalents		66,817	6,396
Cash and cash equivalents at 1 January		219,181	212,785
Cash and cash equivalents at 31 December	21	285,998	219,181

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

1 GENERAL INFORMATION

Legend Upstar Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong is Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together, the "Group") are the provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

The Company's immediate holding company is Wealth Builder Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

The Company's ultimate holding company is Luck Gain Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

These consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$000"), unless otherwise stated.

2 BASIS OF PREPARATION

2.1 Compliance with HKFRS and Hong Kong Companies Ordinance

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance Cap. 622.

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

2.2 Historical cost convention

The consolidated financial statements have been prepared on a historical basis except for the investment properties which are carried at fair values.

2.3 Amended standards and interpretations effective in 2024

The adoption of the amended standards and interpretations does not have a material impact on the Group's results of operations or financial position.

2.4 New and amended standards and interpretations which are not yet effective

The Group has not early applied the new and amended standards and interpretations that have been issued but not yet effective. The adoption of these new and amended standards and interpretations is not expected to have a material impact on the Group's results of operation or financial position.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Investment properties

Properties that are held for long-term rental yield or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Land held under operating leases are classified and accounted for as investment properties when the rest of the definition of investment properties is met.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing estimated open market value determined at each reporting date by qualified valuers.

Subsequent expenditure is charged to the carrying amount of the properties only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not reliably determinable, such investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

If a property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment, the gain is recognised in the consolidated income statement.

(b) Financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Financial assets (Continued)

(ii) Recognition and derecognition

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

(iii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as amortised cost.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

(iv) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer to note 4(a)(i) for further details.

(c) Trade and other receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4(a)(i).

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Loan receivables

Loan receivables are property mortgage loans granted to customers. If collection of loan receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment.

(e) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated income statement as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(f) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Post-employment obligations

The Group operates varies post-employment schemes, including defined contribution retirement scheme and defined benefit pension scheme.

For defined contribution retirement scheme, contributions are available to all employees calculated at rates specified in the rules of the schemes, are charged to the consolidated income statement when the contributions are payable to the fund.

For defined benefit scheme, the Group's net obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit cost method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at each balance sheet date of Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Employee benefits (Continued)

(ii) Post-employment obligations (Continued)

The current service cost of the defined benefit plan, recognised in the consolidated income statement in employee benefit expense reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in the consolidated income statement.

The interest expenses are calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in consolidated income statement.

(iii) Share-based payment

– *Equity-settled share-based payment transactions*

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

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

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Employee benefits (Continued)

(iii) Share-based payment (Continued)

– *Share-based payment transactions among Group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(g) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

(h) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of property agency and money lending services or the use by others of the Group's assets under leases in the ordinary course of the activities of the Group.

(i) Agency fee from property agency businesses

Agency fee from property agency businesses is recognised when the services are rendered which is generally the time when the transacting parties first come into an agreement. At that time, the Group recognises revenue after taking into account the variable consideration arising from discounts and price concession as mentioned below.

Revenue from agency businesses include an element of consideration that is variable or contingent on the outcome of future events, including the risk of fallen through and price concession based on customary industry practice, which give rise to discounts and price concession.

The Group uses an expected value approach to estimate variable consideration. In order to assess the variable consideration, the Group based on the past experience on similar transactions and all reasonably available information to determine the expected consideration that the Group will be entitled.

This estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Revenue recognition (Continued)

(ii) Income from operating leases

Operating lease rental income is recognised on a straight-line basis over the lease term.

(iii) Interest income from loan receivables and finance income

Interest income from loan receivables and finance income are recognised on a time proportion basis using the effective interest method.

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to credit risk, cash flow and fair value interest rate risk, liquidity risk and foreign exchange risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group has not used derivative financial instruments to hedge its risk exposures to changes in foreign currency exchange risk and interest risk.

(i) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, trade and other receivables, and loan receivables.

Risk management

To mitigate the risk arising from banks, the Group has adopted the diversification of bank deposits and places its deposits to certain reputable banks (diversification of bank deposits). Management therefore considers that the Group has limited credit risk with its banks.

Management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual loan receivable and trade receivable by taking into account of their knowledge about customers, the completion status of related property transactions, value of the collateral and the market conditions to ensure that adequate impairment is made for the irrecoverable amounts.

For loan receivables, the Group mitigates credit risk by credit protection provided by collaterals such as properties located in Hong Kong and/or guarantors. Individual risk limits are set based on the value of collaterals provided by customers and internal or external ratings in accordance with limits set by the management.

Impairment of financial assets

The Group's trade receivables and loan receivables are subject to the ECL model. While cash and cash equivalents and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

ECL is measured on lifetime basis that these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets (Continued)

ECL is measured on either of the following bases:

- 12-month ECL: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loan receivables

The Group applies the HKFRS 9 general approach to measure expected credit losses for loan receivables.

To measure the ECL, the Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

– internal credit rating

– external credit rating (as far as available)

– actual or expected significant changes in the operating results of the borrower

– significant increases in credit risk on other financial instruments of the same borrower

– significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

– significant changes in the expected performance and behaviour of the borrower, including any default from the borrowers or changes in the payment status of borrowers.

The Group defines a loan receivable as in default, which is more than 60 days past due on interest payments.

All loan receivables consist of first charge mortgage on real estate in Hong Kong. The loan-to-value ratio, which is calculated as the carrying amount of the loan at the balance sheet date as a percentage of the current value of collateral, ranges from 16% to 89% as at year end (2023: 23% to 83%). Valuations are updated on a regular basis and more frequently when market conditions are subject to significant change or where a loan is identified and assessed as impaired.

To measure the ECL, the Group considers whether there has been a significant increase in credit risk, whether the borrower is in default and the fair value of the collateral less cost of disposal. The management considers the ECL for loan receivables due to default is HK$1,614,000 as at 31 December 2024 (2023: Nil).

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables

The Group's trade receivables have been grouped into categories for shared credit risk characteristics:

- primary properties market transactions; and

- other transactions

For trade receivables from primary properties market transactions, the counterparties are primarily large corporations with strong financial position and no impairment indicators and management considers the credit risk is close to zero.

For trade receivables from other transactions, the counterparties are primarily individuals and small to medium sized corporations. When there is objective evidence that individual trade receivable is impaired, the loss allowances for these trade receivables is assessed and measured at an amount equal to lifetime ECL.

For the remaining trade receivables from other transactions which no objective evidence is available without undue cost to measure the lifetime ECL, the Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for these trade receivables collectively.

To measure the ECL, these trade receivables have been grouped with similar credit risk characteristics based on the sectors of the transacted properties and aging profile.

The expected loss rates are based on the latest completed historical payment profile of sales over a period of 12 month and the corresponding historical credit losses experienced within that period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, if any.

On these basis, the loss allowances for trade receivables as at 31 December 2024 and 31 December 2023 were determined as follows:

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

As at 31 December 2024

	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance: Individually assessed HK$'000	Loss allowance: Collectively assessed HK$'000	Loss allowance: Total HK$'000
Current (not yet due)	1.9%-11.1%	76,750	(190)	(2,237)	(2,427)
Less than 30 days past due	0.3%-4.4%	4,288	(37)	(44)	(81)
31-60 days past due	0.5%-10.0%	1,872	(34)	(96)	(130)
61-90 days past due	1.0%-15.2%	392	–	(40)	(40)
More than 90 days past due	1.4%-100%	27,494	(27,167)	(327)	(27,494)
		110,796	(27,428)	(2,744)	(30,172)

As at 31 December 2023

	Expected loss rate %	Gross carrying amount HK$'000	Loss allowance: Individually assessed HK$'000	Loss allowance: Collectively assessed HK$'000	Loss allowance: Total HK$'000
Current (not yet due)	1.1%-12.1%	61,771	–	(1,674)	(1,674)
Less than 30 days past due	2.7%-27.8%	5,457	–	(716)	(716)
31-60 days past due	5.0%-100%	420	–	(420)	(420)
61-90 days past due	6.4%-100%	721	(480)	(241)	(721)
More than 90 days past due	11.6%-100%	38,081	(37,156)	(925)	(38,081)
		106,450	(37,636)	(3,976)	(41,612)

Note: The customers are obliged to settle the amounts due upon the completion of or pursuant to the terms and conditions of the relevant agreements. The loss allowance provided for trade receivables not yet due includes the credit risk arising from bad debts and fallen through transactions. The loss allowance provided for overdue trade receivables includes only the credit risk arising from bad debts.

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables (Continued)

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

	2024 HK$'000	2023 HK$'000
At 1 January	41,612	33,352
Provision for impairment	4,847	10,362
Write-off of uncollectible debts	(16,287)	(2,102)
At 31 December	30,172	41,612

Trade receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

For other financial assets at amortised cost, including deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month ECL which is immaterial.

Impairment losses on other financial assets at amortised cost are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest bearing assets and liabilities other than bank deposits and bank borrowings at variable rates. The Group's loan receivables were at fixed rates and expose the Group to fair value interest risk.

As at 31 December 2024, if interest rates had been 25 basis point higher/lower with all other variables held constant, the Group's post-tax loss for the year would have been higher/lower and equity would have been lower/higher by approximately HK$260,000 (2023: HK$344,000) mainly attributable to the Group's exposure to interest rates on its variable rates of bank deposits and bank borrowings.

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

The Group maintains its own treasury function (the "Group Finance") to monitor the current and expected liquidity requirements and aims to maintain flexibility by keeping sufficient cash and cash equivalents generated from operations. Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Finance. The Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient head-room on its undrawn facilities (note 24) at all times so that the Group does not breach borrowing limits or financial covenants (where applicable) on any of its borrowing facilities. The Group has complied with all financial covenants of its borrowing facilities during the years ended 31 December 2024 and 2023.

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the Group Finance. The Group Finance invests surplus cash in interest bearing time deposits. As at 31 December 2024, the Group has short-term bank deposits of HK$207,382,000 (2023: HK$183,380,000).

The following tables show the remaining contractual maturity at the end of the reporting period of the Group's financial liabilities based on undiscounted cash flows and the earliest date the Group can be required to pay. Specifically, for the bank borrowings which contains a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loan with immediate effect. Balances due within 12 months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

	On demand HK$'000	Less than 1 year HK$'000	Between 1 and 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
As at 31 December 2024					
Trade and other payables	–	118,847	4,242	123,089	123,089
Amounts due to non-controlling interests	210	–	–	210	210
Lease liabilities and interest payments	–	10,302	1,374	11,676	10,849
Bank borrowings and interest payments	–	161,925	242,151	404,076	373,044
	210	291,074	247,767	539,051	507,192
As at 31 December 2023					
Trade and other payables	–	116,688	10,757	127,445	127,445
Amounts due to non-controlling interests	420	–	–	420	420
Lease liabilities and interest payments	–	16,566	8,901	25,467	24,860
Bank borrowings and interest payments	–	130,975	299,631	430,606	384,225
	420	264,229	319,289	583,938	536,950

(iv) Foreign exchange risk

As at 31 December 2024 and 2023, all the Group's assets and liabilities are denominated in Hong Kong dollars ("HK dollars"). The foreign exchange exposure of the Group is minimal.

4 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

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

The capital structure of the Group consists of equity attributable to the equity holders and bank borrowings. In order to maintain or adjust the capital structure, the Group will consider macroeconomic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may issue new shares or raise funding through bank borrowing as necessary.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 **HK$'000**	2023 HK$'000
Bank borrowings	373,044	384,225
Total equity	1,111,308	1,139,473
Gearing ratio	33.6%	33.7%

(c) Fair value estimation

The carrying amounts of the financial assets of the Group, including cash and cash equivalents, loan receivables, trade and other receivables and financial liabilities including amount due to non-controlling interests, trade and other payables approximate their fair values due to their short-term maturities. Other payables, bank borrowings and lease liabilities that are expected to be settled more than 12 months after reporting date are initially measured on a present value basis by discounting the balance to net present value using the Group's incremental borrowing rate.

The fair value estimation of investment properties is disclosed in note 17 to the consolidated financial statements.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Revenue recognition

Management reviews sales transactions to determine whether it is probable that future economic benefits arising from the sales transactions would flow to the Group taking into account the variable consideration in the transaction price.

Agency fee from property agency business is recognised as revenue when the services are rendered which is generally the time when the transacting parties first enter into an agreement. However, such revenue will be subject to variations as a result of, for example, trade discounts and price concessions which are common in the industry, resulting in variable consideration.

Variable consideration arises in revenue of agency business due to price variables and uncertainties of the outcome of future events, which affect the Group's determination of the amount of the revenue. Common examples of such price variables and uncertainties include the risk of transactions fallen through and price concessions made by the Group based on customary industry practice, which give rise to discounts and price concessions.

Pursuant to the HKFRS 15, the Group adopts an expected value approach to estimate variable consideration for inclusion in the transaction price. In order to assess the variable consideration, the Group takes into account the past experience on similar transactions and all reasonably available information to determine estimated recoverable rates in assessing the expected consideration to which the Group will be entitled.

This estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved in the future.

(b) Impairment of financial assets

Management reviews regularly the recoverable amount of each individually significant trade receivable and loan receivable to ensure that adequate impairment is made for the irrecoverable amounts. The measurement of impairment losses requires judgement. In particular, management assesses the recoverable amount of each individual trade receivable and loan receivable whether there is objective evidence that the receivable is impaired. This evidence may include observable data indicating that there has been an adverse change in the payment status of the debtors and the local economic conditions that correlate with the potential risk of impairment on the transactions. For the remaining trade receivables, generally not arising from primary properties market transactions and having no objective evidence of impairment, the impairment is assessed based on the latest completed historical payment profile of sales over a period of 12 months and the corresponding historical credit losses experienced within that period.

Management reassesses the provision for impairment at each balance sheet date.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions used in the valuation have been disclosed in note 17 to the consolidated financial statements.

(d) Income taxes

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

6 REVENUES AND SEGMENT INFORMATION

(a) Revenues

	2024 HK$'000	2023 HK$'000
Revenues from contracts with customers within the scope of HKFRS 15		
Agency fee	301,481	338,524
Revenues from other sources		
Rental income	28,392	27,498
Interest income from credit business	26,983	31,051
	55,375	58,549
Total revenues	356,856	397,073

6 REVENUES AND SEGMENT INFORMATION (Continued)

(b) Segment information

The chief operating decision-makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. The Executive Directors determine the operating segments based on these reports.

The Executive Directors assess the performance based on the nature of the Group's businesses principally located in Hong Kong, which comprises property agency businesses for commercial and industrial properties and shops, properties investment, credit business and securities investment.

	Year ended 31 December 2024						
	Property agency						
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Properties investment HK$'000	Credit business HK$'000	Others HK$'000	Total HK$'000
Segment revenues	117,518	87,413	100,781	28,392	26,983	–	361,087
Inter-segment revenues	(2,819)	(836)	(576)	–	–	–	(4,231)
Revenues from external customers	114,699	86,577	100,205	28,392	26,983	–	356,856
Timing of revenue recognition							
– At a point in time	114,699	86,577	100,205	–	–	–	301,481
Rental income	–	–	–	28,392	–	–	28,392
Interest income	–	–	–	–	26,983	–	26,983
	114,699	86,577	100,205	28,392	26,983	–	356,856
Segment results	1,454	1,591	3,916	(36,417)	18,855	(2)	(10,603)
Fair value loss on investment properties	–	–	–	(53,900)	–	–	(53,900)
Depreciation of right-of-use assets	(7,905)	(4,475)	(4,697)	–	–	–	(17,077)
Depreciation of property and equipment	(2,537)	(726)	(1,280)	(15)	(9)	–	(4,567)
Impairment losses on financial assets	(1,895)	(1,083)	(1,776)	(93)	(1,614)	–	(6,461)
Additions to non-current assets	124	54	62	11	5	–	256

For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

6 REVENUES AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

	Year ended 31 December 2023						
	Property agency						
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Properties investment HK$'000	Credit business HK$'000	Others HK$'000	Total HK$'000
Segment revenues	124,708	84,814	143,020	27,498	31,051	–	411,091
Inter-segment revenues	(6,622)	(3,268)	(4,128)	–	–	–	(14,018)
Revenues from external customers	118,086	81,546	138,892	27,498	31,051	–	397,073
Timing of revenue recognition							
– At a point in time	118,086	81,546	138,892	–	–	–	338,524
Rental income	–	–	–	27,498	–	–	27,498
Interest income	–	–	–	–	31,051	–	31,051
	118,086	81,546	138,892	27,498	31,051	–	397,073
Segment results	(2,713)	5,949	4,773	(2,592)	25,785	9	31,211
Fair value loss on investment properties	–	–	–	(26,700)	–	–	(26,700)
Gain on disposal of a subsidiary	–	–	–	6,970	–	–	6,970
Depreciation of right-of-use assets	(8,585)	(5,847)	(9,530)	–	–	–	(23,962)
Depreciation of property and equipment	(2,256)	(1,453)	(1,530)	(33)	(11)	–	(5,283)
Reversal of impairment/(impairment losses) on financial assets	2,009	(801)	(11,570)	–	–	–	(10,362)
Additions to non-current assets	1,383	478	2,078	–	–	–	3,939

The Executive Directors assess the performance of the operating segments based on a measure of operating results from each reportable segment. Corporate income/(expenses), bank interest income, interest on bank borrowings and income tax expense are not included in the segment results.

Revenues between segments arose from transactions which are carried out on terms with reference to market practice. Revenues from external customers reported to the Executive Directors are measured in a manner consistent with that in the consolidated income statement. The revenue from external customers is the same as the total revenue per consolidated income statement.

6 REVENUES AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

A reconciliation of segment results to (loss)/profit before income tax is provided as follows:

	2024 HK$'000	2023 HK$'000
Segment results for reportable segments	(10,603)	31,211
Corporate income/(expenses)	2,535	(9,978)
Bank interest income (note 11)	7,367	6,568
Interest on bank borrowings (note 11)	(22,661)	(21,855)
(Loss)/profit before income tax	(23,362)	5,946

Segment assets and liabilities exclude corporate assets and liabilities and deferred income taxation, all of which are managed on a central basis. Set out below is an analysis of assets and liabilities by reportable segment:

	As at 31 December 2024						
	Property agency						
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Properties investment HK$'000	Credit business HK$'000	Others HK$'000	Total HK$'000
Segment assets	33,258	32,174	36,855	955,141	251,371	7	1,308,806
Segment liabilities	28,637	40,996	34,204	20,908	562	–	125,307

	As at 31 December 2023						
	Property agency						
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Properties investment HK$'000	Credit business HK$'000	Others HK$'000	Total HK$'000
Segment assets	37,652	25,657	44,154	1,008,968	334,304	5	1,450,740
Segment liabilities	42,500	33,907	42,690	20,777	546	–	140,420

6 REVENUES AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

Reportable segment assets are reconciled to total assets as follows:

	2024 HK$'000	2023 HK$'000
Segment assets	1,308,806	1,450,740
Corporate assets	313,380	230,158
Deferred income tax assets	13,582	10,541
Total assets	1,635,768	1,691,439

Reportable segment liabilities are reconciled to total liabilities as follows:

	2024 HK$'000	2023 HK$'000
Segment liabilities	125,307	140,420
Corporate liabilities	389,988	403,475
Deferred income tax liabilities	9,165	8,071
Total liabilities	524,460	551,966

7 OTHER GAINS

	2024 HK$'000	2023 HK$'000
Gain on disposal of a subsidiary (note 27)	–	6,970
Compensation income (Note)	11,417	–
Others	586	372
	12,003	7,342

Note: During the year ended 31 December 2024, the Group recognised the compensation income of HK$11,417,000 and reimbursement of legal costs of HK$7,012,000 from a litigation claim settled in "Other gains" and "Other operating costs" respectively. The compensation income and reimbursement of legal costs were subsequently received as of the date of approval of the consolidated financial statements.

During the year ended 31 December 2023, the Group received HK$7,508,000 from the insurance company for the reimbursement of legal costs incurred from a litigation claim. Therefore, the Group has recognised the reimbursement of legal costs of HK$7,508,000 in "Other operating costs" during the year ended 31 December 2023.

8 STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2024 HK$'000	2023 HK$'000
Salaries and allowances	95,433	104,018
Commissions	93,349	89,763
Pension costs for defined contribution plans	5,185	5,970
Pension costs for defined benefit plans	848	864
Share-based benefits	–	18
	194,815	200,633

The Group participates in a mandatory provident fund ("MPF") scheme which is available to eligible employees of the Group, including Executive Directors. Contributions to the MPF scheme by the Group and the employees are calculated at rates specified in the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

The cost of the MPF scheme charged to the consolidated income statement represents contributions paid and payable by the Group to the fund.

The Group's contributions to the MPF scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the MPF scheme that may be used by the Group to reduce the existing level of contributions.

9 BENEFIT AND INTEREST OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Benefit and interest of directors

The remuneration of each director for the year ended 31 December 2024 is set out below:

	Fees HK$'000	Salaries and allowances HK$'000	Performance incentive* HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive Directors					
Mr. WONG Kin Yip, Freddie (Chairman)	100	4,037	–	–	4,137
Ms. WONG Ching Yi, Angela	100	2,400	916	18	3,434
Mr. LO Chin Ho, Tony	–	1,440	–	18	1,458
Mr. WONG Alexander Yiu Ming	100	930	223	18	1,271
	300	8,807	1,139	54	10,300
Independent Non-executive Directors					
Mr. SHA Pau, Eric	120	–	–	–	120
Mr. WONG Chung Kwong	120	–	–	–	120
Mr. LI Wai Keung	120	–	–	–	120
	360	–	–	–	360
	660	8,807	1,139	54	10,660

9 BENEFIT AND INTEREST OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefit and interest of directors (Continued)

The remuneration of each director for the year ended 31 December 2023 is set out below:

	Fees HK$'000	Salaries and allowances HK$'000	Performance incentive* HK$'000	Retirement benefit costs HK$'000	Total HK$'000
Executive Directors					
Mr. WONG Kin Yip, Freddie (Chairman)	100	4,115	–	–	4,215
Ms. WONG Ching Yi, Angela	100	2,400	750	18	3,268
Mr. LO Chin Ho, Tony	–	1,442	–	18	1,460
Mr. WONG Alexander Yiu Ming	100	909	664	18	1,691
	300	8,866	1,414	54	10,634
Independent Non-executive Directors					
Mr. SHA Pau, Eric	120	–	–	–	120
Mr. WONG Chung Kwong	120	–	–	–	120
Mr. LI Wai Keung	120	–	–	–	120
Mr. HO Kwan Tat, Ted (retired on 8 June 2023)	52	–	–	–	52
	412	–	–	–	412
	712	8,866	1,414	54	11,046

* Performance incentive is determined based on performance of profit targets.

In addition to the directors' emoluments disclosed above, the estimated value of share options granted by the Company to Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. WONG Alexander Yiu Ming for the year ended 31 December 2023 amounted to HK$6,000, HK$6,000 and HK$6,000 respectively. Including the estimated value of share options granted, total remuneration of Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. WONG Alexander Yiu Ming for the year ended 31 December 2023 amounted to HK$4,221,000, HK$3,274,000 and HK$1,697,000 respectively.

For the year ended 31 December 2024 and 2023, no directors waived or agreed to waive any emoluments.

No incentive payment for joining the Group was paid or payable to any director during the year (2023: nil).

9 BENEFIT AND INTEREST OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefit and interest of directors (Continued)

(i) Directors' retirement benefits and termination benefits

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

(ii) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2024, the Group did not pay consideration to any third parties for making available directors' services (2023: Nil).

(iii) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

As at 31 December 2024, there were no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with such directors (2023: Nil).

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

Save as disclosed in note 26 and note 34, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: same).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest for the year include four (2023: four) directors whose emoluments are reflected in the analysis shown in note 9(a). The emoluments payable to the remaining one individual for the year ended 31 December 2024 are as follows:

	2024 HK$'000	2023 HK$'000
Salaries and allowances	683	632
Discretionary bonus	131	10
Retirement benefit costs	18	18
	832	660

The emoluments fell within the following band:

	Number of individual	
	2024	2023
HK$0 – HK$1,000,000	1	1

10 OTHER OPERATING COSTS

	2024 HK$'000	2023 HK$'000
Office and branch operating expenses (Note a)	14,649	16,048
Government rent and rates, building management fee (leased properties and investment properties)	6,907	7,573
Legal and professional fee	4,530	5,194
Reimbursement of legal costs (Note b)	(7,012)	(7,508)
Trademark licensing fee (note 34(a))	1,203	1,325
Insurance expenses	4,066	4,509
Bank charges	1,144	1,072
Auditor's remuneration		
– audit services	1,486	1,367
– interim results review	–	343
Others	3,703	3,864
Other operating costs	30,676	33,787

For the year ended 31 December 2024, direct operating expenses arising from investment properties that generated rental income and did not generate rental income were HK$6,299,000 and HK$122,000 respectively, of which HK$3,916,000 was included in other operating costs.

For the year ended 31 December 2023, direct operating expenses arising from investment properties that generated rental income and did not generate rental income were HK$6,507,000 and HK$121,000 respectively, of which HK$4,083,000 were included in other operating costs.

Notes:

(a) Office and branch operating expenses include utilities expenses, communication expenses, printing and stationery, transportation, and repair and maintenance.

(b) During the year ended 31 December 2024, reimbursement of legal costs of HK$7,012,000 (2023: HK$7,508,000) was recognised. Please refer to note 7 for the details.

11 FINANCE COSTS, NET

	2024 HK$'000	2023 HK$'000
Finance income		
Bank interest income	7,367	6,568
Finance costs		
Interest on bank borrowings	(22,661)	(21,855)
Interest on lease liabilities (note 16)	(735)	(893)
	(23,396)	(22,748)
Finance costs, net	(16,029)	(16,180)

12 INCOME TAX EXPENSE

	2024 HK$'000	2023 HK$'000
Current income tax:		
Hong Kong profits tax	5,461	5,928
Deferred income tax (note 18)	(2,182)	1,713
	3,279	7,641

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong for the year, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated on the same basis in 2023.

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

	2024 HK$'000	2023 HK$'000
(Loss)/profit before income tax	(23,362)	5,946
Calculated at a taxation rate of 16.5% (2023: 16.5%)	(3,855)	981
Income not subject to taxation	(1,216)	(2,892)
Recognition of previously unrecognised deductible temporary differences	(550)	–
Expenses not deductible for taxation purposes	8,894	5,065
Write-down of deferred tax assets	–	4,639
Others	6	(152)
Income tax expense	3,279	7,641

13 DIVIDEND

The board of directors (the "Board") does not recommend the payment of any dividend for the year ended 31 December 2024 (2023: nil).

14 LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	2024	2023
Loss attributable to equity holders of the Company for the calculation of basic and diluted loss per share (HK$'000)	(26,043)	(733)
Weighted average number of shares for the calculation of basic and diluted loss per share (thousands)	1,805,283	1,805,283
Basic loss per share (HK cents)	(1.443)	(0.041)
Diluted loss per share (HK cents)	(1.443)	(0.041)

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

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares arising from the exercise of share options of the Company.

For the years ended 31 December 2024 and 2023, the diluted loss per share is the same as the basic loss per share as the exercise of the share options of the Company would have an anti-dilutive effect.

15 PROPERTY AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
At 1 January 2024					
Cost	11,952	4,043	27,565	507	44,067
Accumulated depreciation	(7,546)	(3,722)	(25,565)	(296)	(37,129)
Net book amount	4,406	321	2,000	211	6,938
Year ended 31 December 2024					
Opening net book amount	4,406	321	2,000	211	6,938
Additions	71	21	4,098	–	4,190
Depreciation charge	(3,331)	(165)	(944)	(127)	(4,567)
Closing net book amount	1,146	177	5,154	84	6,561
At 31 December 2024					
Cost	10,527	4,064	31,663	507	46,761
Accumulated depreciation	(9,381)	(3,887)	(26,509)	(423)	(40,200)
Net book amount	1,146	177	5,154	84	6,561
At 1 January 2023					
Cost	11,599	4,002	27,357	507	43,465
Accumulated depreciation	(7,093)	(3,512)	(24,413)	(169)	(35,187)
Net book amount	4,506	490	2,944	338	8,278
Year ended 31 December 2023					
Opening net book amount	4,506	490	2,944	338	8,278
Additions	3,694	41	208	–	3,943
Depreciation charge	(3,794)	(210)	(1,152)	(127)	(5,283)
Closing net book amount	4,406	321	2,000	211	6,938
At 31 December 2023					
Cost	11,952	4,043	27,565	507	44,067
Accumulated depreciation	(7,546)	(3,722)	(25,565)	(296)	(37,129)
Net book amount	4,406	321	2,000	211	6,938

16 LEASES

This note provides information for leases where the Group is a leasee.

(i) Amounts recognised in the consolidated balance sheet

	2024 HK$'000	2023 HK$'000
Right-of-use assets		
Properties leased for own use	10,017	22,839
Lease liabilities		
Current	9,495	16,061
Non-current	1,354	8,799
	10,849	24,860

Additions to the right-of-use assets during the year ended 31 December 2024 were HK$4,255,000 (2023: HK$9,632,000).

(ii) Amounts recognised in the consolidated income statement

	2024 HK$'000	2023 HK$'000
Depreciation of right-of-use assets		
Properties leased for own use	(17,077)	(23,962)
Expenses relating to shot term lease (included in operating lease charges in respect of shop premise)	(550)	(163)
Interest expense	(735)	(893)

The total cash outflow for leases during the year ended 31 December 2024 was HK$19,551,000 (2023: HK$25,194,000).

17 INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
Opening net book amount	1,006,800	1,060,500
Change in fair value recognised in the consolidated income statement	(53,900)	(26,700)
Disposal (note 27)	–	(27,000)
Closing net book amount	952,900	1,006,800

Investment properties of HK$852,900,000 (2023: HK$898,200,000) are pledged as security for the Group's bank borrowings (note 24).

Valuation

The Group engages an independent qualified professional valuer to determine the fair value of the Group's investment properties at least once every six months, in line with the Group's interim and annual reporting dates. Valuation assumptions, major inputs to independent valuation report and valuation results are discussed with the independent valuer.

As at 31 December 2024, valuations were undertaken by Jones Lang LaSalle Limited, an independent qualified professional valuer. The valuer has appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. Fair values of investment properties are generally derived using the income capitalisation method and direct comparison method, wherever appropriate. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties. Direct comparison method is based on sales prices of comparable properties in close proximity which are adjusted for differences in key attributes such as size, floor level, layout, view, frontage and accessibility etc.

As at 31 December 2024 and 2023, all investment properties are included in level 3 in the fair value hierarchy.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer. There were no changes to the valuation techniques and transfers among the fair value hierarchy during the year.

17 INVESTMENT PROPERTIES (Continued)

Valuation (Continued)

Information about fair value measurements using significant unobservable inputs:

Office, industrial units and serviced apartments:

	Range of significant unobservable inputs		
Valuation method	Prevailing market rent per month	Unit price	Capitalisation rate
Income capitalisation	HK$25.3 to HK$35.3 per square foot (saleable) (2023: HK$27.6 to HK$37.3 per square foot (saleable))	N/A	3.00% to 3.50% (2023: 2.90% to 3.45%)
Direct comparison	N/A	HK$4,102 to HK$40,900 per square foot (saleable) (2023: HK$4,280 to HK$43,200 per square foot (saleable))	N/A

Shops:

	Range of significant unobservable inputs	
Valuation method	Prevailing market rent per month	Capitalisation rate
Income capitalisation	HK$34.4 to HK$238.0 per square foot (saleable) (2023: HK$32.6 to HK$250.0 per square foot (saleable))	2.10% to 3.30% (2023: 1.85% to 3.20%)

Direct comparison method is used for the car parks' valuation, the range of the unit price (significant unobservable input) as at 31 December 2024 are from HK$1,600,000 to HK$2,000,000 (as at 31 December 2023: HK$1,600,000 to HK$2,000,000).

Prevailing market rents are estimated based on qualified valuer's view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation rates are estimated by qualified valuer based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

18 DEFERRED INCOME TAX

	2024 HK$'000	2023 HK$'000
Deferred income tax assets	13,582	10,541
Deferred income tax liabilities	(9,165)	(8,071)
	4,417	2,470

The net movements on the deferred income tax assets/(liabilities) are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	2,470	3,713
Recognised in the consolidated income statement (note 12)	2,182	(1,713)
Recognised in the consolidated statement of comprehensive income	(235)	–
Derecognised upon disposal of a subsidiary (note 27)	–	470
At 31 December	4,417	2,470

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

	Tax losses		Decelerated tax depreciation		Provision		Others		Total	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
At 1 January	10,012	12,729	1,304	616	657	426	–	–	11,973	13,771
Recognised in the consolidated income statement	3,284	(2,717)	(210)	688	(204)	231	550	–	3,420	(1,798)
Recognised in the consolidated statement of comprehensive income	–	–	–	–	–	–	(235)	–	(235)	–
At 31 December	13,296	10,012	1,094	1,304	453	657	315	–	15,158	11,973

18 DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities

	Accelerated tax depreciation	
	2024 **HK$'000**	2023 HK$'000
At 1 January	(9,503)	(10,058)
Recognised in the consolidated income statement	(1,238)	85
Derecognised upon disposal of a subsidiary (note 27)	–	470
At 31 December	(10,741)	(9,503)

Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$10,240,000 (2023: HK$10,240,000) in respect of losses amounting to HK$62,061,000 (2023: HK$62,061,000) as at 31 December 2024. These tax losses can be carried forward indefinitely.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2024 **HK$'000**	2023 HK$'000
Deferred income tax assets		
– Recoverable after more than twelve months	13,582	10,541
Deferred income tax liabilities		
– Payable or settle after more than twelve months	(9,165)	(8,071)

19 TRADE AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables	110,796	106,450
Less: loss allowance	(30,172)	(41,612)
Trade receivables, net	80,624	64,838
Other receivables, prepayments and deposits	33,563	24,800
	114,187	89,638

Trade receivables mainly represent agency fee receivables from customers whereby no general credit terms are granted. The customers are obliged to settle the amounts due upon the completion of or pursuant to the terms and conditions of the relevant agreements. The aging analysis of the trade receivables, based on due date, is as follows:

	2024 HK$'000	2023 HK$'000
Current (not yet due)	74,323	60,097
Less than 30 days past due	4,207	4,741
31 to 60 days past due	1,742	–
61 to 90 days past due	352	–
	80,624	64,838

Trade receivables of HK$6,301,000 (2023: HK$4,741,000) are past due but not impaired.

Further details on the Group's credit policy and impairment policy and credit risk arising from trade receivables are set out in note 4(a)(i).

The Group's maximum exposure to credit risk is the carrying amounts of trade and other receivables.

The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

The Group's trade and other receivables are denominated in HK dollars.

Trade and other receivables expected to be recovered after more than one year is HK$5,215,000 (2023: HK$10,694,000). The remaining balance is expected to be recovered within one year.

20 LOAN RECEIVABLES

	2024 HK$'000	2023 HK$'000
Loan receivables – property mortgage loans	252,678	333,710
Less: loss allowance	(1,614)	–
Loan receivables, net	251,064	333,710

Movements on the Group's impairment losses on loan receivables are as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	–	–
Impairment losses on loan receivables (Note 4(a)(i))	1,614	–
At end of the year	1,614	–

A maturity profile of the loan receivables as at the end of the reporting periods, based on the maturity date and net of provision, is as follows:

	2024 HK$'000	2023 HK$'000
Past due	60,721	52,095
Mature within 1 year	190,343	281,615
	251,064	333,710

Loan receivables represent property mortgage loans granted to customers in Hong Kong. Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Details on the Group's credit policy and impairment policy and credit risk arising from loan receivables are set out in note 4(a)(i).

The Group holds properties located in Hong Kong as collateral for property mortgage loans.

The Group's loan receivables are denominated in HK dollars.

21 CASH AND CASH EQUIVALENTS

	2024 HK$'000	2023 HK$'000
Cash at banks and on hand	78,616	35,801
Short-term bank deposits	207,382	183,380
	285,998	219,181

22 SHARE CAPITAL AND PREMIUM

	Number of issued shares (HK$0.10 each)	Nominal value HK$'000	Share premium HK$'000	Total HK$'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,805,282,608	180,528	745,086	925,614

The total authorised number of ordinary shares is 5 billion shares (2023: 5 billion shares) with a nominal value of HK$0.10 per share. All issued shares are fully paid.

23 RESERVES

	Merger reserve HK$'000 (note (a))	Capital reserve HK$'000 (note (b))	Employee benefits reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2023	(559,073)	14,918	3,390	749,287	208,522
Loss for the year	–	–	–	(733)	(733)
Other comprehensive income					
Remeasurement of post-employment benefit obligation	–	–	–	24	24
Transaction with owners					
Share option scheme – value of employee services	–	–	18	–	18
At 31 December 2023	(559,073)	14,918	3,408	748,578	207,831
At 1 January 2024	(559,073)	14,918	3,408	748,578	207,831
Loss for the year	–	–	–	(26,043)	(26,043)
Other comprehensive income					
Remeasurement of post-employment benefit obligation	–	–	–	1,191	1,191
At 31 December 2024	(559,073)	14,918	3,408	723,726	182,979

Notes:

(a) Merger reserve represents the difference between the net asset value of subsidiaries acquired and the consideration paid totaling HK$640,000,000 pursuant to the group reorganisation on 6 June 2007.

(b) Capital reserve represents the difference between the nominal value of the ordinary share issued by the Company and the aggregate of the share capital and share premium of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation on 28 February 2001.

24 BANK BORROWINGS

The Group's bank borrowings are repayable as follows:

	2024 HK$'000	2023 HK$'000
Secured bank borrowings without repayment on demand clause		
– repayable within 1 year	146,006	109,356
– repayable after 1 year but within 2 years	100,380	138,356
– repayable after 2 years but within 5 years	126,658	136,513
	373,044	384,225
Categorised as:		
Current portion	146,006	109,356
Non-current portion	227,038	274,869
	373,044	384,225

The Group's bank borrowings are denominated in HK dollars.

The bank borrowings are secured by investment properties of HK$852,900,000 (2023: HK$898,200,000) held by the Group (note 17) and corporate guarantee given by the Company.

For the bank borrowings, the fair values are not materially different to their carrying amounts, since the interest payables on the bank borrowings are close to current market rates.

The Group has the following undrawn borrowing facilities:

	2024 HK$'000	2023 HK$'000
Floating rates		
Expiring within one year	73,000	135,000

25 TRADE AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Commissions and rebate payables	72,595	71,130
Other payables and accruals	50,494	56,315
Defined benefit obligation	4,265	5,023
	127,354	132,468
Categorised as:		
Current portion	122,156	125,581
Non-current portion	5,198	6,887
	127,354	132,468

Trade payables include mainly the commissions and rebate payables to property consultants, co-operative estate agents and property buyers, which are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions and rebate payables of HK$14,302,000 (2023: HK$17,214,000) in respect of which the corresponding agency fees have been received, and are due for payment within 30 days after year end, and all the remaining commissions and rebate payables are not yet due.

As at 31 December 2024 and 2023, the Group's defined benefit obligation are determined based on the actuarial valuation prepared by an independent qualified professional actuary, using the projected unit credit method.

Movements in the present value of the defined benefit obligation are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	5,023	4,594
Service costs	681	690
Interest costs	167	174
Actuarial gain	(1,426)	(24)
Benefit paid	(180)	(411)
At 31 December	4,265	5,023

25 TRADE AND OTHER PAYABLES (Continued)

The significant actuarial assumptions used are as follows:

	2024	2023
Discount rate	3.9%	3.4%
Expected rate of salary increase	2.5%	2.5%

The sensitivity analysis of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

	2024		2023	
	Change to adopted rate	Effect on defined benefit obligation	Change to adopted rate	Effect on defined benefit obligation
Discount rate	+0.5%/–0.5%	–4.8%/+5.2%	+0.5%/–0.5%	–4.8%/+5.1%
Expected rate of salary increase	+0.5%/–0.5%	+3.3%/–3.3%	+0.5%/–0.5%	+1.1%/–1.2%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant.

The Group's trade and other payables are mainly denominated in HK dollars.

Trade and other payables expected to be settled after more than one year is HK$8,507,000 (2023: HK$10,757,000). The remaining balance is expected to be settled within one year.

26 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts are unsecured, interest free, repayable on demand and represent amount due to Ms. WONG Ching Yi, Angela.

27 DISPOSAL OF A SUBSIDIARY

In May 2023, the Group completed the disposal of 100% of the entire issued shares of Bright Eastern Limited. The principal asset of this company is the entire interest in a property located at Shop No. 6 on Ground Floor, Cambridge Court, Nos. 84A-84H & 84J-84M Waterloo Road, Kowloon, Hong Kong.

The net assets disposed of at the completion date are analysed as follows:

	HK$'000
Investment property (note 17)	27,000
Other receivable, prepayment and deposit	11
Other payables and accruals	(398)
Tax payable	(665)
Deferred income tax liabilities	(470)
Net assets disposed of	25,478
Gain on disposal of subsidiary (note 7)	6,970
Total consideration	32,448
Satisfied by:	
– cash	32,448

28 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In December 2024, Ruby Hill Ventures Limited, a subsidiary of the Company, entered into sale and purchase agreement with a non-controlling interest, to purchase 5 shares of Powerful Surge Group Limited and the shareholder's loan at a consideration of approximately HK$2.9 million. The transaction was completed on 31 December 2024.

As a result of this transaction, the Group's equity interest in Powerful Surge Group Limited increased from 90.7% to 95.3%.

	2024 HK$'000
Carrying amount of non-controlling interest acquired	2,715
Amount due to non-controlling interest	210
Consideration paid to non-controlling interest	(2,925)
Excess of consideration paid	–

29 SHARE-BASED BENEFITS

On 18 June 2020, the Company adopted a share option scheme (the "Share Option Scheme"). The Share Option Scheme became effective on 18 June 2020 and will remain in force for a period of ten years from the date of adoption.

The principal purposes of the Share Option Scheme are to enable the Group to recruit and retain high calibre participants and attract human resources that are valuable to the Group, to recognise the contributions of the participants to the growth of the Group by rewarding them with opportunities to obtain ownership interest in the Company, and to motivate and to give incentives to the participants to continue to contribute to the long term success and prosperity of the Group.

The maximum number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme and any other share option scheme(s) of the Company (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue.

The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company to each participant who is a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, in any 12-month period shall not exceed 0.1% of the total number of shares of the Company in issue and the aggregate value which based on the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of each grant shall not exceed HK$5,000,000.

Any further grant of options in excess of the aforesaid limits shall be separately approved by the shareholders of the Company with all core connected persons, within the meaning as ascribed under the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), of the Company abstaining from voting in favour at such general meeting.

The exercise price of an option to subscribe for shares granted under the Share Option Scheme shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of:

(i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the offer date;

(ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and

(iii) the nominal value of a share of the Company.

In January 2022, 54,000,000 share options were granted to certain directors of the Company under the Share Option Scheme. Each option gives the holders the right to subscribe for one ordinary share of the Company. A consideration of HK$1 from each of the grantees was received. These share options vested on 3 January 2023, and would be exercisable for a period of 7 years from 3 January 2023 to 2 January 2030 (both days inclusive).

29 SHARE-BASED BENEFITS (Continued)

The fair value of each share option granted was estimated on the date of grant using the Hull White Trinomial Model with the following assumptions:

Share price at date of grant	:	HK$0.128
Exercise price	:	HK$0.128
Option life	:	8 years
Expected volatility	:	49.63%
Expected dividend yield	:	0.00%
Risk-free rate	:	1.286%
Exercise multiple	:	2.80x

The expected volatility is based on the 2015-day historical volatility of the Company's share price as at the valuation date.

Based on the above assumptions, the estimated fair value of each share option was HK$0.0631. Any changes in the parameters may materially affect the estimation of the fair value of a share option.

For the year ended 31 December 2023, the Group had recognised share-based benefits expenses of HK$18,000 in the consolidated income statement.

(i) Terms of unexpired and unexercised share options at balance sheet date:

Share options outstanding at the end of the years have the following exercisable period and exercise prices:

Exercisable period	Exercise price per share	Number of options	
	HK$	**2024**	2023
3 January 2023 to 2 January 2030	0.128	54,000,000	54,000,000

(ii) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2024		2023	
	Weighted average exercise price per share HK$	**Number of options**	Weighted average exercise price per share HK$	Number of options
At 1 January and 31 December	0.128	54,000,000	0.128	54,000,000

As at 31 December 2024 and 2023, all options are exercisable.

There is no share options granted, lapsed, cancelled or exercised during the year ended 31 December 2024.

There was no share options granted, lapsed, cancelled or exercised during the year ended 31 December 2023.

The options outstanding as at 31 December 2024 had a weighted average remaining contractual life of 5 years (2023: 6 years).

30 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating (loss)/profit to net cash generated from operations

	2024 HK$'000	2023 HK$'000
Operating (loss)/profit	(7,333)	22,126
Depreciation of right-of-use assets (note 16 (ii))	17,077	23,962
Depreciation of property and equipment (note 15)	4,567	5,283
Net impairment losses on financial assets	6,461	10,362
Fair value loss on investment properties (note 17)	53,900	26,700
Gain on disposal of a subsidiary (note 7)	–	(6,970)
Share-based benefits (note 8)	–	18
Operating profit before working capital changes	74,672	81,481
Change in trade and other receivables	(29,396)	25,239
Change in loan receivables	81,032	28,660
Change in trade and other payables	(3,688)	(40,131)
Net cash generated from operations	122,620	95,249

(b) Debt reconciliation

This section sets out the movements in debt for the year.

	Bank borrowings HK$'000	Non-controlling interests HK$'000	Lease liabilities HK$'000	Total HK$'000
Net debt as at 1 January 2023	449,951	420	39,366	489,737
Cash flows	(65,726)	–	(24,138)	(89,864)
Other net non-cash movements	–	–	9,632	9,632
Net debt as at 31 December 2023 and 1 January 2024	384,225	420	24,860	409,505
Cash flows	(11,181)	(2,925)	(18,266)	(32,372)
Other net non-cash movements	–	2,715	4,255	6,970
Net debt as at 31 December 2024	373,044	210	10,849	384,103

31 CONTINGENT LIABILITIES

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the consolidated financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic resources is probable.

32 FUTURE LEASE RENTAL RECEIVABLE

The Group had future minimum lease rental receivable under non-cancellable operating leases as follows:

	2024 HK$'000	2023 HK$'000
Within one year	13,855	13,531
Between one year and five years	5,250	8,170
	19,105	21,701

33 CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 31 December 2024 and 2023.

34 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group had the following significant transactions with related parties during the year and balances with related parties at the balance sheet date:

(a) Transactions with related parties

	Note	**2024 HK$'000**	2023 HK$'000
Agency fee income from referral of property agency transactions to related companies		30,604	13,531
Agency fee income from provision of agency services to related companies		45	676
Agency fee income from related companies	(i)	30,649	14,207
Rental income from related companies	(ii)	2,362	2,798
Rebates to related companies	(iii)	(31,797)	(38,452)
Trademark licensing fee to a related company	(iv)	(1,203)	(1,325)
Management fee expenses to a related party	(v)	(792)	(768)

Notes:

(i) Agency fee income from related companies include agency fee from referral of property agency transactions to related companies and property agency services provided to related companies on terms mutually agreed by both parties.

(ii) The Group entered into lease agreements with related companies on terms mutually agreed by both parties.

(iii) Rebates to related companies represent rebates for property agency transactions referred by related companies on terms mutually agreed by both parties.

(iv) Trademark licensing fee to a related company on terms mutually agreed by both parties.

(v) Management fee expenses to a company of which Mr. WONG King Yip, Freddie ("Mr. WONG"), a director and controlling shareholder of the Company as defined under the Listing Rules, is the beneficial owner, for the provision of administration services on terms mutually agreed by both parties.

In addition to the above, the Group shared administrative and corporate service fees on a cost basis with an aggregate amount of HK$21,608,000 with related companies (2023: HK$19,506,000).

34 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) During the year ended 31 December 2023, the Group entered into a lease with a company, of which Mr. WONG is the beneficial owner, on terms mutually agreed by both parties. At the commencement date of the lease, the Group recognised right-of-use asset of HK$4,770,000.

During the year ended 31 December 2024, lease payments to certain companies, of which Mr. WONG is the beneficial owner, under certain leases were HK$2,520,000 (2023: HK$3,363,000).

(c) The balances with related companies and parties included in trade and other receivables, trade and other payables and lease liabilities are as follows:

	2024 HK$'000	2023 HK$'000
Trade and other receivables		
Amounts due from related companies	18,066	7,908
Trade and other payables		
Amounts due to related companies	(29,477)	(26,205)
Lease liabilities		
Amounts due to other related parties (note 34(b))	(834)	(3,241)

The related companies referred in notes 34(a) and 34(c) represent the subsidiaries of Midland Holdings Limited ("Midland"). Mr. WONG is also the director and controlling shareholder of Midland.

(d) Key management compensation

	2024 HK$'000	2023 HK$'000
Fees, salaries, allowances and incentives	10,246	10,580
Share-based benefits	–	18
Retirement benefit costs	54	54
	10,300	10,652

The amount represents emolument paid or payable to the Executive Directors of the Company for the year.

The significant related party transactions under this note constitute connected transactions or continuing connected transactions under the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" and "Continuing Connected Transactions" of the Report of the Directors.

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	As at 31 December 2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Investments in subsidiaries		330,809	330,809
Current assets			
Amounts due from subsidiaries		765,836	764,259
Other receivables, prepayments and deposits		2,312	2,320
Tax recoverable		13	476
Cash and cash equivalents		725	49
		768,886	767,104
Total assets		1,099,695	1,097,913
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		180,528	180,528
Share premium		745,086	745,086
Reserves	(a)	169,845	168,531
Total equity		1,095,459	1,094,145
LIABILITIES			
Current liabilities			
Other payables and accruals		4,236	3,768
Total liabilities		4,236	3,768
Total equity and liabilities		1,099,695	1,097,913

The balance sheet of the Company was approved by the Board of Directors on 31 March 2025 and was signed on its behalf.

WONG Ching Yi, Angela
Director

WONG Alexander Yiu Ming
Director

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserve movement of the Company

	Contributed surplus HK$'000	Employee benefit reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2023	2,509	3,390	161,366	167,265
Profit for the year	–	–	1,248	1,248
Transaction with owners				
Share option scheme				
– value of employee services	–	18	–	18
At 31 December 2023	2,509	3,408	162,614	168,531
At 1 January 2024	2,509	3,408	162,614	168,531
Profit for the year	–	–	1,314	1,314
At 31 December 2024	2,509	3,408	163,928	169,845

Contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of a subsidiary acquired through an exchange of shares pursuant to group reorganisation on 28 February 2001.

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Company name	Place of incorporation/ establishment	Issued/registered and paid up capital	Principal activities and place of operation	Interest held (%)	
				2024	2023
Century Hover Limited	British Virgin Islands	1 share of US$1	Property investment in Hong Kong	95.3	90.7
Champion Shine International Limited	Hong Kong	100 shares	Property investment in Hong Kong	95.3	90.7
Dragon Magic Investments Limited	Hong Kong	2 shares	Property investment in Hong Kong	95.3	90.7
Dynasty Worldwide Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Evergold Development Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Gain Capital (H.K.) Limited	Hong Kong	1 share	Securities investment in Hong Kong	100	100

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation/ establishment	Issued/registered and paid up capital	Principal activities and place of operation	Interest held (%) 2024	Interest held (%) 2023
Gainwell Group Limited (note 1)	British Virgin Islands	1 share of US$1	Investment holding in Hong Kong	100	100
Glorious Success Global Limited	British Virgin Islands	1 share of US$1	Property investment in Hong Kong	95.3	90.7
Gold Concord Enterprises Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Gold Empire International Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Grand Win (H.K.) Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Harvest Dynamic Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Ketanfall Group Limited (note 1)	British Virgin Islands	14 shares of US$1 each	Investment holding in Hong Kong	100	100
Leader Concord Limited	Hong Kong	2 shares	Provision of management services to the group companies in Hong Kong	100	100
Leading Best Limited (note 1)	British Virgin Islands	1 share of US$1	Investment holding in Hong Kong	100	100
Legend Credit Limited	Hong Kong	1 share	Money lending business in Hong Kong	100	100
Midland IC&I Surveyors Limited	Hong Kong	1 share	Provision of surveying services in Hong Kong	100	100
Midland IC&I Treasury Services Limited	Hong Kong	1 share	Provision of treasury services to the group companies in Hong Kong	100	100
Midland Realty (Comm. & Ind. II) Limited	Hong Kong	1 share	Property agency in Hong Kong	100	100

36 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place of incorporation/ establishment	Issued/registered and paid up capital	Principal activities and place of operation	Interest held (%) 2024	Interest held (%) 2023
Midland Realty (Comm. & Ind. III) Limited	Hong Kong	1 share	Property agency in Hong Kong	100	100
Midland Realty (Comm.) Limited	Hong Kong	500,000 shares	Property agency in Hong Kong	100	100
Midland Realty (Shops II) Limited	Hong Kong	1 share	Property agency in Hong Kong	100	100
Most Wealth (Hong Kong) Limited	Hong Kong	3 shares	Property investment in Hong Kong	100	100
Power Kingdom International Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Powerful Surge Group Limited	British Virgin Islands	107 shares of US$1 each	Investment holding in Hong Kong	95.3	90.7
Princeton Residence (HK) Limited	Hong Kong	1 share	Serviced apartment operation in Hong Kong	100	100
Queenswick Development Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Ruby Hill Ventures Limited (note 1)	British Virgin Islands	1 share of US$1	Investment holding in Hong Kong	100	100
Shine Treasure Holdings Limited	British Virgin Islands	1 share of US$1	Property investment in Hong Kong	95.3	90.7
Sino Hover Limited	British Virgin Islands	1 share of US$1	Property investment in Hong Kong	95.3	90.7
Supreme Gold Development Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Teamway Group Limited	British Virgin Islands	1 share of US$1	Property investment in Hong Kong	100	100
Well Lucky International Limited	Hong Kong	1 share	Property investment in Hong Kong	100	100
Wise Stand Limited	Hong Kong	10,000 share	Property investment in Hong Kong	100	100

Note 1:

The subsidiaries are directly held by the Company.

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Subsidiaries

The consolidated financial statements of the Group include the financial statements of the company and its subsidiaries made up to 31 December.

(i) Consolidation

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

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

Inter-company transactions, balances and unrealised gain on transactions between group companies are eliminated. Unrealised loss is also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

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

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

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(a) Subsidiaries (Continued)

(ii) Separate financial statements

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend income.

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

(b) Segment reporting

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

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Hong Kong dollars, which is the company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(iii) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each statement of comprehensive income are translated at average exchange rates; and

– all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the balance sheet date.

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(e) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the period of lease
Furniture and fixtures	4 years
Office equipment	4 years
Motor vehicle	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are recognised within other operating costs, in the consolidated income statement.

(f) Impairment of investments in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

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

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the financial year. They are recognised initially at their fair values and subsequently measured at amortised cost using the effective interest method.

(i) Share capital

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

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity.

(j) Leases

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

Leases are recognised as a right-of-use asset and the corresponding liabilities at the dates at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases (Continued)

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs; and

- any restoration costs.

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

All leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions. After the commencement date, the Group remeasures the lease liability to reflect any lease modification using the interest rate implicit in the lease for the remainder of the lease term. If that rate cannot be determined, the lessee's incremental borrowing rate at the effective date of the lease modification is used.

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(k) Current and deferred income tax

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

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

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

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

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

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

(l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the note to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

(m) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

(n) Dividend distribution

Dividend distribution is recognised as a liability in the consolidated financial statements in the financial period in which the dividends are approved by the shareholders or directors, as appropriate.

List of Investment Properties

Location	Lot number	Existing use	Lease term	Group's interest
21/F, Ford Glory Plaza Nos. 37-39 Wing Hong Street, Cheung Sha Wan, Kowloon	NKIL2828	Office	Medium	100%
Car Park P19 2/F, Ford Glory Plaza, Nos. 37-39 Wing Hong Street, Cheung Sha Wan, Kowloon	NKIL2828	Carpark	Medium	100%
Nos. 33 and 35 Java Road, North Point, Hong Kong	IL6828 and IL6829	Commercial	Medium	100%
5/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Industrial	Medium	95.3%
6/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Industrial	Medium	95.3%
7/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Industrial	Medium	95.3%
8/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Industrial	Medium	95.3%
12/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Industrial	Medium	95.3%
Car Parking Space Nos. 12, 13 and 14, G/F, LMK Development Estate, Nos. 10-16 Kwai Ting Road, Kwai Chung, New Territories	KCTL139	Carpark	Medium	95.3%
7/F, Kaiseng Commercial Centre, Nos. 4-6 Hankow Road, Tsim Sha Tsui, Kowloon	NKIL7703 and NKIL8184	Office	Medium	100%
8/F, Kaiseng Commercial Centre, Nos. 4-6 Hankow Road, Tsim Sha Tsui, Kowloon	NKIL7703 and NKIL8184	Office	Medium	100%
G/F and Open Yard and Cockloft thereof No. 49 Tai Ho Road, Tsuen Wan, New Territories	The remaining portion of Lot no. 2160 in D.D. 449	Shop	Medium	100%

Location	Lot number	Existing use	Lease term	Group's interest
Shop C (No. 280 Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 and 280A Ma Tau Wai Road, Kowloon	Section A and Section B of KIL2552	Shop	Long	100%
Flat D (No. 280A Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 & 280A Ma Tau Wai Road, Kowloon	Section A and Section B of KIL2552	Shop	Long	100%
Shop 3 on Ground Floor, Bijou Apartments, No. 157 Prince Edward Road West, Kowloon	The Remaining Portion of KIL9274	Shop	Medium	100%
Shop No. 8 (366 Des Voeux Road West) on G/F, Chung Ah Building, Nos. 352-358, 358A, 360, 360A & 362-366 Des Voeux Road West, Hong Kong	Section F of Marine Lot No. 204 Section F of Marine Lot No. 205 The Remaining Portion of Section E of Marine Lot No. 205	Shop	Long	100%
Ground Floor of No.192 Hai Tan Street, Kowloon	The Remaining Portion of NKIL147	Shop	Medium	100%
Shop A1B on Ground Floor, Tai Fu Building, Nos. 6-20 Tai Tsun Street, Nos. 129-137 Tai Kok Tsui Road, Cosmopolitan Estate, Kowloon	The Remaining Portion of Section N of Kowloon Marine Lot No. 28	Shop	Long	100%
Ground Floor and Cockloft, No. 224 Queen's Road West, Hong Kong	IL4393 and 4394	Shop	Long	100%
Shop D on Ground Floor, Wah Fat Mansion, Nos. 1M, 1N & 1P-1T Tung Choi Street, Kowloon	KIL6987, 6988, 6989, 6990, 6991, 6992 and 6993	Shop	Medium	100%

Five-Year Financial Summary

	Year ended 31 December				
	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
For the year					
Revenues	356,856	397,073	450,083	541,319	342,677
(Loss)/profit before income tax	(23,362)	5,946	(2,244)	62,607	(9,549)
(Loss)/profit attributable to equity holders of the Company	(26,043)	(733)	(3,689)	49,839	(7,275)
Cashflows					
Net cash inflow/(outflow) from operating activities	96,012	61,187	163	(101,689)	(15,572)
At year end					
Total assets	1,635,768	1,691,439	1,820,524	1,793,273	1,607,786
Total liabilities	524,460	551,966	679,398	655,409	519,806
Non-controlling interests	2,715	6,028	6,990	6,953	6,908
Total equity	1,111,308	1,139,473	1,141,126	1,137,864	1,087,980
Cash and cash equivalents	285,998	219,181	212,785	285,825	478,319
For the year					
Per share data	HK cents	HK cent	HK cent	HK cents	HK cent
Basic (loss)/earnings per share	(1.443)	(0.041)	(0.204)	2.761	(0.403)
Diluted (loss)/earnings per share	(1.443)	(0.041)	(0.204)	2.690	(0.403)

香港德輔道中19號環球大廈25樓2505-8室
Rooms 2505-8, 25th Floor, World-Wide House,
19 Des Voeux Road Central, Hong Kong
www.midlandici.com.hk