SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司
(I H K)
(Stock Code: 171)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board ("**Board**") of directors ("**Directors**") of Silver Grant International Holdings Group Limited ("**Company**" or "**Silver Grant**", together with its subsidiaries, the "**Group**") is pleased to announce the consolidated results of the Group for the year ended 31 December 2023 ("**Year 2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2023	2022
Rental income	**96,958**	96,884
Direct operating expenses	**(6,465)**	(3,542)
	90,493	93,342
Dividend income from listed securities	**2**	136
Other income, gains and losses	**258,946**	467,687
Change in fair value of ýnancial assets at fair value through proýt or loss	**(147,287)**	(166,108)
Change in fair value of derivative ýnancial instruments	**—**	(22,280)
Impairment of ýnancial assets, net	**(489,129)**	(251,580)
Administrative expenses	**(165,030)**	(181,456)
Change in fair value of investment properties	**(63,646)**	(208,156)
Finance costs	**(342,422)**	(530,034)
Share of (losses)/proýts of:		
— associates	**(31,141)**	2,050
— joint ventures	**(83,071)**	1,130
Loss before taxation	**(972,285)**	(795,269)
Taxation	**16,009**	52,611
Loss for the year	**(956,276)**	(742,658)
Loss attributable to:		
— Owners of the Company	**(947,409)**	(734,563)
— Non-controlling interests	**(8,867)**	(8,095)
	(956,276)	(742,658)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (in HK cents)		
— Basic	**(41.11)**	(31.87)
— Diluted	**(41.11)**	(31.87)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
LOSS FOR THE YEAR	**(956,276)**	(742,658)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		
Other comprehensive loss that may be reclassiýed to proýt or loss in subsequent periods:		
Exchange diverences on translation of foreign operations	**(49,801)**	(466,819)
Total other comprehensive loss that may be reclassiýed to proýt or loss in subsequent periods	**(49,801)**	(466,819)
Other comprehensive income/(loss) that will not be reclassiýed to proýt or loss in subsequent periods:		
Gain/(loss) arising on property revaluation	**7,533**	(17,596)
Income tax eject	**(858)**	3,353
Net other comprehensive income/(loss) that will not be reclassiýed to proýt or loss in subsequent periods	**6,675**	(14,243)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(43,126)**	(481,062)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(999,402)**	(1,223,720)999,402)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023	2022
NON-CURRENT ASSETS		
Investment properties	**2,133,714**	2,309,146
Property, plant and equipment	**54,134**	238,199
Right-of-use assets	**39,460**	43,729
Other intangible assets	**—**	—
Interests in associates	**274,094**	309,475
Interests in joint ventures	**1,402,837**	1,506,247
Amount due from an associate	**416,542**	439,486
Amounts due from joint ventures	**216,216**	—
Financial assets at fair value through proýt or loss	**1,640**	1,640
Total non-current assets	**4,538,637**	4,847,922
CURRENT ASSETS		
Trade receivables	**6,362**	3,934
Deposits, prepayments and other receivables	**838,086**	908,352
Amounts due from joint ventures	**1,664**	430,437
Loan receivables	**1,894,369**	2,246,377
Financial assets at fair value through proýt or loss	**434,677**	809,429
Restricted bank balance	**—**	674,814
Cash and bank balances	**57,333**	97,517
Total current assets	**3,232,491**	5,170,860
CURRENT LIABILITIES		
Accrued charges, rental deposits and other payables	**419,184**	1,204,446
Interest-bearing bank and other borrowings	**3,485,049**	1,388,974
Taxation payable	**107,114**	107,335
Lease liabilities	**2,187**	2,045
Convertible bonds	**—**	41,712
Total current liabilities	**4,013,534**	2,744,512
NET CURRENT (LIABILITIES)/ASSETS	**(781,043)**	2,426,348
TOTAL ASSETS LESS CURRENT LIABILITIES	**3,757,594**	7,274,270

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023	2022
NON-CURRENT LIABILITIES		

NOTES:

1.1 BASIS OF PRESENTATION

As at 31 December 2023, the Group had cash and bank balances of approximately HK$57 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,485 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$195 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$3,007 million with original maturity dates of over one year from the end of the reporting period which have been reclassiýed to current liabilities due to the delay in the payment of interest of certain borrowings and which has been repaid after year end. Furthermore, subsequent to the end of the reporting period, another borrowing of the Group with a principal amount of approximately HK$131 million has not been repaid according to the scheduled repayment date. As at the date of approval of these consolidated financial statements, the Group has been actively negotiating with the lenders for extension of the repayment date of certain of the aforesaid borrowings. Up to the date of approval of these consolidated ýnancial statements, the Group has not received any demand for immediate repayment of these and other borrowings.

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

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

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

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

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

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have suxcient working capital to ýnance its operations and to meet its ýnancial obligations as and when they fall due within 12 months from 31 December 2023. Accordingly, the Directors are satisýed that it is appropriate to prepare the consolidated ýnancial statements of the Group on a going concern basis.

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The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 17	
Amendments to HKAS 1 and HKFRS Practice Statement 2	
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	

Amendments to HKAS 12

2. REVENUE

An analysis of revenue is as follows:

	2023	2022
Gross rental income	**96,958**	96,884
Dividend income from listed securities	**2**	136
	96,960	97,020

Operating segment information

Year ended 31 December 2023

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

Year ended 31 December 2022

	Investments	Property leasing	Total
Revenue			
— Rental income	—	96,884	96,884
— Dividend income from listed securities	136	—	136
	136	96,884	97,020
Segment loss	(13,073)	(153,952)	(167,025)
Other unallocated income, gains and losses			18,383
Corporate expenses			(123,874)
Finance costs (other than interest on lease liabilities)			(525,933)
Share of proýts of:			
— associates			2,050
— joint ventures			1,130
Loss before taxation			(795,269)
Taxation			52,611
Loss for the year			(742,658)

Geographical information

	2023	2022
Hong Kong	**2**	136
People's Republic of China ("**PRC**")	**96,958**	96,884
	96,960	97,020

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

	2023	2022
Hong Kong	**803**	256,508
PRC	**3,903,436**	4,150,288
	3,904,239	4,406,796

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

3. OTHER INCOME, GAINS AND LOSSES

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

	2023	2022
Interest income on:		
— amount due from a joint venture	**4,787**	44,666
— bank deposits	**565**	250
— loan receivables	**197,907**	410,508
Net foreign exchange gain/(loss)	**37**	(1,551)
Net gain/(loss) on disposal of property, plant and equipment	**13**	(59)
Net loss on disposal of investment properties	**(10,500)**	—
Impairment loss on other intangible assets	**—**	(2,814)
Government grants*	**—**	7
Gain on disposal of ýnancial assets at fair value through proýt or loss	**1,360**	1,860
Gain on disposal of a subsidiary	**36,957**	—
Others	**27,820**	14,820
	258,946	467,687

* The amount represented grants received from relevant government authorities in Mainland China for the Group's operation of property leasing business. There are no unfulfilled conditions or contingencies relating to these grants.

4. FINANCE COSTS

An analysis of ýnance costs is as follows:

	2023	2022
Interest on bank loans	**14,897**	14,808
Interest on other loans	**323,765**	370,725
Interest on convertible bonds	**—**	140,400
Interest on lease liabilities		
	342,422	530,034

5. TAXATION

	2023	2022
Current:		
PRC Corporate Income Tax ("**CIT**") — charge for the year	**—**	344
Deferred	**(16,009)**	(52,955)

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6. LOSS BEFORE TAXATION

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

	2023	2022
Auditor's remuneration	**7,200**	7,200

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

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

	2023	2022
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	**947,409**	734,563

	Number of shares	
	2023	2022
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**2,304,850**	2,304,850

No adjustment for dilution has been made to the basic loss per share amount presented for the years ended 31 December 2023 and 2022 as the Company's convertible bonds then outstanding had an anti-dilutive effect on the basic loss per share amount presented.

8. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2023 (2022: Nil).

9. TRADE RECEIVABLES

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

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

	2023	2022
Within 1 month	**6,362**	3,934

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the Independent Auditor's Report from the auditor of the Company, Ernst & Young:

"DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the section of our report, it is not possible for us to form an opinion on these consolidated financial statements. Except for the matters described in the section and the *Additional matter – Qualification on loan receivables* section of our report, in all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 2.1 to the consolidated financial statements, maer$ee ω ѕ ӟ M ʌ p ˬ D m Į î l m

The directors of the Company have been undertaking plans and measures to improve the Group's liquidity and ýnancial position, details of which are set out in note 2.1 to the consolidated ýnancial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including:

(a) the successful and timely implementation of the plans and measures for the disposal of the outstanding loan receivables and loan interest receivables;

(b) the successful and timely implementation of the plans for the disposal of the ýnancial asset investments;

(c) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and

(d) the successful obtaining of new sources of ýnancing as and when needed.

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reþected in the consolidated ýnancial statements.

ADDITIONAL MATTER — QUALIF8 (QU)-p4600520051005600520004F004C001e0051oa

As disclosed in note 20 to the consolidated financial statements, the Company has established a special investigation committee to undertake investigation on matters pertaining to the loan transactions, including but not limited to, the commercial rationale of the loan transactions and the relationship between the Group and the borrowers. Up to the date of this report, as the aforesaid investigation has not been completed and is still in progress, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the commercial rationale of the loan transactions, the relationships between the Group and the borrowers, and the relationships amongst the borrowers; (ii) whether the carrying amounts of the loan receivables and loan interest receivables were properly stated as at 31 December 2023; (iii) whether the impairment loss for these loan receivables and loan interest receivables for the year ended 31 December 2023 was properly assessed and recognised based on the reasonable and supportable information in accordance with the applicable accounting standard and, consequently, whether the interest income from these loan receivables was properly recognised during the year ended 31 December 2023; and (iv) whether the cash þows in relation to the loan transactions were properly presented in the consolidated statement of cash þows for the year 31 December 2023.

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

Even had there been no multiple uncertainties relating to going concern as described in the section of our report which precluded us from expressing an opinion on the consolidated financial statements, our opinion would have been qualified for the additional matter as described above.

The Company's joint venture, 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited*) ("**Zhong Hai You Qi**"), which is principally engaged in the crude oil processing business as well as the production and sale of petrochemical products, has still

Investments

The Group has been well-established in the investment industry for decades and has developed its own investment system. During the year under review, the Group had readjusted its business strategies and made the decision to scale down part of the business operations under its investments business segment (including its non-performing asset investments and asset management businesses), and redirected its focus to equity investments, and in particular to those in the new energy industry and its sub-sectors.

The Group has made investments in certain enterprises in the PRC which are classified by the Group as ýnancial assets at fair value through proýt or loss. As at 31 December 2023, the NT Trust Scheme (as defined below) was the most significant financial asset investment of the Group, the carrying value of which represented approximately 3.0% (31 December 2022: 3.9%) of the total assets of the Group. Further details of the NT Trust Scheme are set out below:

The Group has invested RMB505,000,000 (equivalent to approximately HK$557,419,000) in aggregate into a trust ("**NT Trust Scheme**") managed by 國民信託有限公司 (National Trust Co., Ltd.*), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 31 December 2023, the carrying value of the NT Trust Scheme as measured at fair value through proýt or loss, amounted to approximately HK$230,801,000 (31 December 2022: HK$387,458,000) and accounted for approximately 3.0%

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

Property Leasing

The rental income from the Group's property leasing business in Year 2023 was approximately HK$96,958,000 (Year 2022: HK$96,884,000), which had remained stable between the two years. Revenue from this business segment was derived from the leasing of East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apar(o)0.5 (f)0.5 0nvC(f)0.6 (o)0.

MATERIAL ACQUISITIONS AND DISPOSALS

On 11 October 2023, (i) the Company, Silver Grant Hainan Investments (BVI) Limited ("**SG Hainan**"), a wholly owned subsidiary of the Company, and Silver Grant Group Limited ("**First Purchaser**"), an independent third party, entered into a sale and purchase agreement, pursuant to which (a) the Company and SG Hainan have conditionally agreed to sell, and the First Purchaser has conditionally agreed to acquire, 100% of the issued shares of Real China Development Limited ("**Target Company**"), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company which held offices 1, 2 and 9 on 49th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Hong Kong ("**Office Property**"), and (b) the Company has conditionally agreed to sell, and the First Purchaser has conditionally agreed to acquire, all amounts, including the principal and interest owing by the Target Company to the Company, at the consideration of HK$200,000,000, subject to adjustments ("**First Disposal**"); and (ii) the Company and Mr. Gao Jimmy Z. ("**Second Purchaser**"), an independent third party, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the Second Purchaser has conditionally agreed to acquire, the duplex apartment 9B on 9/F & 10/F, No. 6A Bowen Road, Hong Kong and the car parking space No. 106 on 2nd Level Basement, No. 6A Bowen Road, Hong Kong ("**Investment Property**"), at the consideration of HK$70,000,000 ("**Second Disposal**").

Both the First Disposal and the Second Disposal were completed in December 2023. Further details of the First Disposal and the Second Disposal are set out in the announcement and the circular of the Company dated 11 October 2023 and 22 November 2023 respectively.

Save for the above, the Group did not have any material acquisition or disposal during Year 2023.

FINANCIAL REVIEW

The loss attributable to the owners of the Company increased by approximately 29% from approximately HK$734,563,000 for Year 2022 to approximately HK$947,409,000 for Year 2023 and the basic loss per share attributable to ordinary equity holders of the Company increased from 31.87 HK cents for Year 2022 to 41.11 HK cents for Year 2023, mainly due to the following:

(a) the decrease in the Group's other income, gains and losses from approximately HK$467,687,000 for Year 2022 to approximately HK$258,946,000 for Year 2023, mainly due to the combined effect of: (i) the decrease in the aggregate interest income from an amount due from a joint venture and loan receivables from approximately HK$455,174,000 for Year 2022 to approximately HK$202,694,000 for Year 2023; and (ii) the gain on the disposal of a subsidiary of approximately HK$36,957,000 during Year 2023, which was absent during Year 2022;

(b) the increase in the Group's impairment of financial assets, net from approximately HK$251,580,000 for Year 2022 to approximately HK$489,129,000 for Year 2023, mainly attributable to the increase in the impairment loss provision in the amount of approximately HK$172,452,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 from Year 2022 to Year 2023, as a result of the deterioration in the credit quality of the Groupôs loan receivables during Year 2023;

(c) the decrease in the loss from the fair value of the investment properties of the Group from approximately HK$208,156,000 for Year 2022 to approximately HK$63,646,000 for Year 2023, mainly due to (i) the decrease in the fair value loss of the Group's investment property located in Beijing as at 31 December 2023, as compared with that as at 31 December 2022; and (ii) the disposal of the Investment Property by the Group in December 2023;

(d) the decrease in the finance costs incurred by the Group from approximately HK$530,034,000 for Year 2022 to approximately HK$342,422,000 for Year 2023, mainly due to the full redemption of the convertible bonds by the Group in the first half of Year 2023; and

(e) the decline in the performance of Zhong Hai You Qi (one of the Company's joint ventures) in Year 2023 as a result of the major overhaul carried out by Zhong Hai You Qi at its factory, which led to a two-month interruption in its operation in Year 2023 and hence the turn of the Company's share of Zhong Hai You Qi's result from a profit of approximately HK$6,600,000 for Year 2022 to a loss of approximately HK$68,937,000 for Year 2023.

Revenue

Rental income of the Group for Year 2023 amounted to approximately HK$96,958,000 (Year 2022: HK$96,884,000), which had remained stable between the two years.

Other income, gains and losses

The decrease in the Group's other income, gains and losses from approximately HK$467,687,000 for Year 2022 to approximately HK$258,946,000 for Year 2023 was mainly due to the combined effect of: (i) the decrease in the aggregate interest income from an amount due from a joint venture and loan receivables from approximately HK$455,174,000 for Year 2022 to approximately HK$202,694,000 for Year 2023; and (ii) the gain on the disposal of a subsidiary of approximately HK$36,957,000 during Year 2023, which was absent during Year 2022.

Change in fair value of investment properties

The decrease in the loss from the fair value of the investment properties of the Group from approximately HK$208,156,000 for Year 2022 to approximately HK$63,646,000 for Year 2023 was mainly attributable to (i) the decrease in the fair value loss of the Group's investment property located in Beijing as at 31 December 2023, as compared with that as at 31 December 2022; and (ii) the disposal of the Investment Property by the Group in December 2023.

Finance costs

The decrease in the ýnance costs incurred by the Group from approximately HK$530,034,000 for Year 2022 to approximately HK$342,422,000 for Year 2023 was mainly due to the full redemption of the convertible bonds by the Group in the ýrst half of Year 2023.

Share of pro f ts or losses of joint ventures

The change in the Company's share of profits or losses of joint ventures from profits of approximately HK$1,130,000 for Year 2022 to losses of approximately HK$83,071,000 for Year 2023 was mainly attributable to the decline in the performance of Zhong Hai You Qi (one of the Company's joint ventures) in Year 2023 as a result of the major overhaul carried out by Zhong Hai You Qi at its factory, which led to a (y a)0.6 (1ƃ (a (y ao1,000 focr)]TJ0.005 Tc 0 -1.25)32 (s investmen

Cash Position

	2023	2022
Restricted bank balance	**—**	674,814
Cash and bank balances	**57,333**	97,517

Working Capital and Borrowings

As at 31 December 2023, the Group's total borrowings amounted to approximately HK$3,551,936,000 in aggregate. The composition of these borrowings is summarised below:

	2023	2022
Short term borrowings	**3,485,049**	1,388,974
Long term borrowings	**66,887**	2,541,766
Convertible bonds	**—**	41,712
Total borrowings	**3,551,936**	3,972,452
Cash and bank balances	**57,333**	97,517
Net borrowings	**3,494,603**	3,874,935

Interests for all borrowings of the Group for Year 2023 were charged at fixed and floating rates ranging from 3.7% per annum to 27.6% per annum (Year 2022: 3.7% per annum to 12.0% per annum).

As at 31 December 2023, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

	2023	2022
HK$	**—**	180,000
RMB	**3,551,936**	3,750,740
	3,551,936	3,930,740

As at 31 December 2023, the long and short term borrowings of the Group which remained outstanding carried at ýxed and þoating interest rates as follows:

	2023	2022
Fixed interest rates	**1,456,876**	1,689,583
Floating interest rates	**2,095,060**	2,241,157
	3,551,936	3,930,740

As at 31 December 2023, the maturity proýle of the long and short term borrowings of the Group was as follows:

	2023	2022
Bank loans repayable:		
Within one year or on demand	**161,700**	50,392
In the second year	**33,775**	152,856
In the third to ýfth years, inclusive	**—**	35,386
	195,475	238,634
Other loans repayable:		
Within one year or on demand	**3,323,349**	1,338,582
In the second year	**—**	333,147
In the third to ýfth years, inclusive	**33,112**	2,020,377
	3,356,461	3,692,106
	3,551,936	3,930,740

The 12% per annum convertible bonds in the aggregate principal amount of HK$1,150,000,000 due in December 2022 issued by the Company had been fully redeemed after the Company redeemed the remaining balance of such bonds in the aggregate principal amount of approximately HK$41,712,000 during the ýrst half of Year 2023.

As at 31 December 2023, the gearing ratio (calculated as interest-bearing bank and other borrowings, over equity attributable to owners of the Company) and the current ratio (calculated as current assets over current liabilities) of the Group were 114% (31 December 2022: 99%) and 0.8x (31 December 2022: 1.9x) respectively. These ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage to ensure the Group has the liquidity to meet its ýnancial obligations at all times. The Group will strive to improve its liquidity by expediting the collection and/or disposal of its outstanding loan receivables and the disposal of its financial asset investments (including its equity investments and non-performing assets portfolio).

As at 31 December 2023, the Group had cash and bank balances of approximately HK$57 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,485 million are due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$195 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$3,007 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings and which has been repaid after year end. Furthermore, subsequent to the end of the reporting period, another borrowing of the Group with a principal amount of approximately HK$131 million has not been repaid according to the scheduled repayment date. Up to the date of approval of this announcement, the Group has not received any demand for immediate repayment of these and other borrowings, and the Group has been actively negotiating with the lenders for extension of the repayment date of certain of the aforesaid borrowings.

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

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

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to ýnance its operations and to meet its ýnancial obligations as and when they fall due within 12 months from 31 December 2023. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated ýnancial statements of the Group on a going concern basis.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establishing and maintaining a standard of corporate governance that is consistent with market practices. The Company complied with all the applicable code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Appendix 14 (renumbered as Appendix C1 with effect from 31 December 2023) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") then in force throughout Year 2023, except for the deviation speciýed below:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be the same individual. During the year under review, the Company did not have a separate chairman and chief executive officer as Mr. Chu Hing Tsung assumed both the roles of the chairman and one of the co-chief executive oɔ̈cer of the Company. The Board believes that vesting both the roles of the chairman and the co-chief executive offi0evn.6 (s)0.2

FORMATION OF SPECIAL INVESTIGATION COMMITTEE

On 18 March 2024, an independent special investigation committee ("**Special Investigation Committee**"), initially comprising Mr. Hung Muk Ming as chairman, Mr. Liang Qing and Mr. Zhang Lu as members, being all independent non-executive Directors, has been established pursuant to a resolution of the Board passed on 18 March 2024 for the purposes of, among other things, investigating on various matters and events relating to the loan agreements ("**Loan Agreements**") in relation to the portfolio of loan receivables held by the Group (consisting of loan receivables in the aggregate principal amount and accrued interest of approximately RMB2,201 million as at 31 December 2023) ("**Loan Receivables**"), in particular, the approval process of the Loan Agreements, the background information of the related borrowers, the commercial rationale for entering into the Loan Agreements and the effectiveness of the internal control system of the Group in relation to the approval of the Loan Agreements and the collection of the Loan Receivables and the interest accrued thereon. On 18 March 2024, the Special Investigation Committee appointed a leading global professional services firm specialising in forensic accounting and investigations ("**Investigation Agency**") to assist in conducting independent investigations into the Loan tighe Losame timethe coScial Itigation committee

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