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**SYMPHONY
SYMPHONY HOLDINGS LIMITED**

新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Symphony Holdings Limited (the “**Company**”) is pleased to announce the final results of the Company and its subsidiaries (collectively, the “**Group**” or “**Symphony Group**”) for the year ended 31 December 2023 (the “**Year**”) together with the comparative figures for the year ended 31 December 2022 (the “**Comparable Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

		2023	2022
	NOTES	HKD'000	HKD'000
Continuing operations			
Revenue	5	304,725	279,153
Cost of sales		<u>(29,128)</u>	<u>(27,484)</u>
Gross profit		275,597	251,669
Other income and gains	8(a)	26,612	174,087
Distribution and selling expenses		(78,370)	(77,615)
Administrative expenses		(148,058)	(153,133)
Depreciation and amortisation expenses		(92,895)	(95,615)
Finance costs	6	(104,000)	(74,831)
Other expenses	8(b)	(3,469)	(2,925)
Provision of impairment loss on financial assets		(6,533)	(666)
Impairment loss on amount due from an associate		–	(979)
Decrease in fair value of investment properties		(65,041)	(7,023)
Share of results of joint ventures		6,764	2,602
Share of results of associates		(306)	(272)
Fair value loss on financial assets at fair value through profit or loss		<u>(23,724)</u>	<u>(102,832)</u>
Loss before income tax expense	8	(213,423)	(87,533)
Income tax expense	7	<u>(543)</u>	<u>(5,185)</u>
Loss for the year from continuing operations	8(c)	(213,966)	(92,718)
Discontinued operation			
Profit for the year from discontinued operation	8(d)	<u>–</u>	<u>3,757</u>
Loss for the year		<u>(213,966)</u>	<u>(88,961)</u>

	<i>NOTES</i>	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
(Loss)/profit for the year attributable to:			
– Owners of the Company			
– From continuing operations		(205,913)	(85,392)
– From discontinued operation		–	4,114
		<u>(205,913)</u>	<u>(81,278)</u>
– Non-controlling interests			
– From continuing operations		(8,053)	(7,326)
– From discontinued operation		–	(357)
		<u>(8,053)</u>	<u>(7,683)</u>
Loss for the year		<u>(213,966)</u>	<u>(88,961)</u>
Loss per share for loss from continuing and discontinued operations:			
Basic and diluted	10	<u>HK(6.92) cents</u>	<u>HK(2.73) cents</u>
Loss per share for loss from continuing operations:			
Basic and diluted	10	<u>HK(6.92) cents</u>	<u>HK(2.87) cents</u>
Earnings per share for profit from discontinued operation:			
Basic and diluted	10	<u>N/A</u>	<u>HK0.14 cent</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	NOTE	2023 HKD'000	2022 HKD'000
Loss for the year	8(c)	<u>(213,966)</u>	<u>(88,961)</u>
Other comprehensive income for the year, net of tax			
Items that will not be reclassified to profit or loss:			
Fair value changes arising on revaluation of properties		34,734	35,305
Deferred tax charge arising on revaluation of properties		<u>(10,060)</u>	<u>(8,283)</u>
		<u>24,674</u>	<u>27,022</u>
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of a joint venture		(975)	(2,778)
Share of other comprehensive income of an associate		(17)	5
Exchange differences arising on translation of foreign operations		(67,335)	(225,297)
Release of translation reserve upon disposal of a subsidiary		<u>–</u>	<u>(67)</u>
		<u>(68,327)</u>	<u>(228,137)</u>
Other comprehensive income for the year, net of tax		<u>(43,653)</u>	<u>(201,115)</u>
Total comprehensive income for the year		<u>(257,619)</u>	<u>(290,076)</u>
Total comprehensive income for the year attributable to:			
– Owners of the Company		(248,669)	(281,150)
– Non-controlling interests		<u>(8,950)</u>	<u>(8,926)</u>
		<u>(257,619)</u>	<u>(290,076)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	NOTES	2023 HKD'000	2022 HKD'000
Non-current assets			
Property, plant and equipment	11	1,895,364	1,945,912
Investment properties	11	657,623	1,241,285
Right-of-use assets		429,093	454,420
Intangible assets		111,590	113,597
Interests in joint ventures		44,613	75,086
Interests in associates		6,379	6,702
Goodwill		141,401	141,401
Deferred tax assets		14,411	17,166
Club debenture		1,876	1,876
Restricted bank deposits		30,994	55,816
Statutory deposits for financial services business		200	200
Total non-current assets		<u>3,333,544</u>	<u>4,053,461</u>
Current assets			
Inventories	12	47,852	48,694
Trade and other receivables	13	226,367	252,294
Amount due from a related party		2,089	–
Amounts due from joint ventures		38,935	39,170
Amount due from an associate		1,453	–
Advances to customers in margin financing	14	135,334	177,161
Loans receivable	15	56,537	56,247
Financial assets at fair value through profit or loss		103,022	127,294
Restricted bank deposits		20,021	3,390
Bank balances and cash			
– held on behalf of customers		23,927	20,745
Bank balances and cash		132,594	98,131
Assets classified as held for sale		<u>788,131</u>	<u>823,126</u>
		<u>759,765</u>	<u>261,500</u>
Total current assets		<u>1,547,896</u>	<u>1,084,626</u>

	<i>NOTE</i>	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Current liabilities			
Trade and other payables	16	337,100	266,772
Amount due to a joint venture		–	534
Amount due to a related party		–	113
Amounts due to directors		59,892	21,989
Lease liabilities		17,255	11,484
Bank borrowings		813,760	549,790
Tax payable		31,079	30,133
		<hr/>	<hr/>
Total current liabilities		1,259,086	880,815
		<hr/>	<hr/>
Net current assets		288,810	203,811
		<hr/>	<hr/>
Total assets less current liabilities		3,622,354	4,257,272
		<hr/>	<hr/>
Non-current liabilities			
Lease liabilities		173,225	178,666
Bank borrowings		573,086	894,255
Deferred tax liabilities		336,745	338,757
		<hr/>	<hr/>
Total non-current liabilities		1,083,056	1,411,678
		<hr/>	<hr/>
NET ASSETS		2,539,298	2,845,594
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Share capital		297,422	297,422
Reserves		2,233,587	2,527,640
		<hr/>	<hr/>
Total equity attributable to owners of the Company		2,531,009	2,825,062
Non-controlling interests		8,289	20,532
		<hr/>	<hr/>
TOTAL EQUITY		2,539,298	2,845,594
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

Symphony Holdings Limited (the “**Company**”) was incorporated in Bermuda on 24 November 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 1 March 1995. Its ultimate controlling party is Mr. Cheng Tun Nei who is the chairman and a director of the Company. The addresses of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 10th Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together the “**Group**”) are mainly consisted of:

- Branding: (i) development and management of “SKINS” trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;
- Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and
- Financial services: provisions of securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the management to make critical accounting judgement, estimation and assumptions based on historical experience and various factors that are believed to be reasonable in the application of the Group’s accounting policies, which involved key sources of estimation uncertainty and significant risks of causing material adjustments to the carrying amounts of assets and liabilities presented in the consolidated financial statements when those areas have high degree of judgement or complexity of estimation since the actual results may differ from these judgement and estimation when it is not readily apparent from other sources.

The consolidated financial statements are presented in Hong Kong Dollars (“**HKD**”) and rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements have been approved for issue by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 28 March 2024.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new and amendments to HKFRSs – effective 1 January 2023

The Group has adopted the following new and amendments to HKFRSs issued by HKICPA relevant to the Group’s accounting policies and business operations adopted for the first time prepared and presented on the consolidated financial statements for the annual period beginning on or after 1 January 2023:

HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

HKFRS 17 “Insurance Contracts”

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4 “Insurance Contracts”. The standard outlines a “General Model”, which is modified for insurance contracts with direct participation features, described as the “Variable Fee Approach”. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The new standard has no impact on the consolidated financial statements of the Group.

Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The amendments change the requirements in HKAS 1 “Presentation of Financial Statements” (“HKAS 1”) with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in HKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The HKICPA has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in HKFRS Practice Statement 2 “Making Materiality Judgements”.

The application of the amendments has no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in the consolidated financial statements.

Amendments to HKAS 8 “Definition of Accounting Estimates”

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

These amendments have no impact on the consolidated financial statements of the Group.

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

These amendments have no impact on the consolidated financial statements of the Group.

Amendments to HKAS 12 “International Tax Reform – Pillar Two Model Rules”

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD) (income tax arising from such tax laws is hereafter referred to as “**Pillar Two income taxes**”), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosures requirements about such tax, including the estimated exposure to Pillar Two income taxes. The recognition exception and disclosure about such exception are effective immediately upon issuance of the amendments.

These amendments have no impact on the consolidated financial statements of the Group.

(b) Change in accounting policy

Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (“**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 “Employee Benefit” (“**HKAS 19**”) paragraph 93(b) (the “**practical expedient**”) to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). This change in accounting policy upon the cessation in applying the practical expedient has resulted in a catch-up adjustment for past service costs and a corresponding increase in the Group’s LSP obligations in the year of enactment of the Amendment Ordinance (i.e. year ended 31 December 2022).

Based on management’s assessment, the change has no material impact on the Group’s financial positions and performance.

(c) **Amendments to HKFRSs that have been issued but are not yet effective**

The following amendments to HKFRSs, potentially relevant to the Group’s accounting policies and business operations, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “ 2020 Amendments ”) ^{1,4}
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “ 2022 Amendments ”) ^{1,4}
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for the annual period beginning on or after 1 January 2024

² Effective for the annual period beginning on or after 1 January 2025

³ Effective for the annual period beginning on or after a date to be determined

⁴ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

The Directors do not anticipate that the adoption of these amendments to HKFRSs that have been issued but not yet effective will have any material impact on the consolidated financial statements.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” (the “2020 Amendments”)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of reporting period. The amendments also introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)

This update relates to the publication of Non-current Liabilities with Covenants (Amendments to HKAS 1) (“**2022 Amendments**”). The 2022 Amendments deal with the classification of long-term loan arrangements with covenants by specifying that covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date. Instead, companies are required to disclose information about these covenants in the notes to the financial statements.

Amendments to HKFRS 16 “Lease Liability in a Sale and Leaseback”

The amendments add subsequent measurement requirements for a sale and leaseback transaction, where the transfer of the asset satisfies the requirements in HKFRS 15 “Revenue from Contracts with Customers” (“**HKFRS 15**”) to be accounted for as a sale.

HKFRS 16 “Lease” (“**HKFRS 16**”) includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, HKFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments add to the sale and leaseback requirements in HKFRS 16, thereby supporting the consistent application of the accounting standard.

Amendments to HKAS 7 and HKFRS 7 “Supplier Finance Arrangements”

The amendments introduce disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk.

Amendments to HKFRS 10 and HKAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting process to both Directors and key management personnel of the Company (together the "**Chief Operating Decision Maker**"), the Group's operating segments are broadly classified into different reportable segments based on the categories of products or services provided in different geographical locations with reference to the requirements under HKFRS 8 "Operating Segments" ("**HKFRS 8**").

The classification of reportable segments is determined by the Chief Operating Decision Maker to monitor the results individually for the purpose of making decisions of resources allocation and performance assessment of the reportable segments. Financial information of the reportable segments is disaggregated into segment revenue and results, segment assets, segment liabilities, other segment information, geographical information and information about major customers, which is regularly provided to the Chief Operating Decision Maker to serve the above purpose.

A summary of the Group's reportable segments under HKFRS 8 is classified as follows:

- Branding: (i) development and management of "SKINS" trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine;
- Retailing: (i) management and operation of outlet malls; and (ii) property investment and holding; and
- Financial services: provisions of securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services.

(a) **Segment revenue and results (Business segments)**

The following table provides an analysis of the reportable segment revenue and reportable segment (loss)/profit of different reportable segments recognised during the year:

For the year ended 31 December 2023

	Continuing operations				
	Branding HKD'000	Retailing HKD'000 <i>(Note)</i>	Financial services HKD'000	Inter- segment elimination HKD'000	Consolidated HKD'000
Revenue from external customers	61,123	223,850	19,752	-	304,725
Inter-segment revenue*	<u>74</u>	<u>5,441</u>	<u>-</u>	<u>(5,515)</u>	<u>-</u>
Reportable segment revenue	<u><u>61,197</u></u>	<u><u>229,291</u></u>	<u><u>19,752</u></u>	<u><u>(5,515)</u></u>	<u><u>304,725</u></u>
Reportable segment loss	<u><u>(39,394)</u></u>	<u><u>(81,417)</u></u>	<u><u>(22,008)</u></u>	<u><u>-</u></u>	<u><u>(142,819)</u></u>
Reconciliation:					
Interest income					6,692
Central administrative expenses					(83,754)
Share of results of joint ventures					6,764
Share of results of associates					<u>(306)</u>
Loss before income tax expense					<u><u>(213,423)</u></u>
<i>Note:</i>					
Revenue from commission income from concessionaire sales included in retailing segment is analysed as follows:					
Gross revenue from concessionaire sales					<u><u>1,068,280</u></u>
Commission income from concessionaire sales					<u><u>166,513</u></u>

For the year ended 31 December 2022

	Continuing operations				Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000 (Note)	Financial services HKD'000	Inter- segment elimination HKD'000	
Revenue from external customers	59,901	197,330	21,922	–	279,153
Inter-segment revenue*	<u>11</u>	<u>4,114</u>	<u>–</u>	<u>(4,125)</u>	<u>–</u>
Reportable segment revenue	<u>59,912</u>	<u>201,444</u>	<u>21,922</u>	<u>(4,125)</u>	<u>279,153</u>
Reportable segment profit/(loss)	<u>108,963</u>	<u>(49,123)</u>	<u>(10,292)</u>	<u>–</u>	<u>49,548</u>
Reconciliation:					
Interest income					2,323
Central administrative expenses					(55,335)
Fair value loss on financial asset at fair value through profit or loss					(85,420)
Share of results of joint ventures					2,602
Share of results of associates					(272)
Impairment loss on amount due from an associate					<u>(979)</u>
Loss before income tax expense					<u>(87,533)</u>

Note:

**Revenue from commission income
from concessionaire sales included
in retailing segment is analysed as
follows:**

Gross revenue from concessionaire sales	<u>870,941</u>
Commission income from concessionaire sales	<u>131,276</u>

* Inter-segment revenue transactions are priced with reference to prices charged to external parties for similar order based on similar terms and conditions of sales agreements entered.

(b) **Segment revenue and results (Disaggregation of revenue)**

The following table provides an analysis of reportable segment revenue recognised during the year is disaggregated by primary geographical markets, major products and services lines and timing of revenue recognition. The following table also includes a reconciliation of disaggregated revenue of different reportable segments recognised during the year, mainly into two categories: (i) revenue from contracts with customers within the scope of HKFRS 15 “Revenue from Contracts with Customers” (“**HKFRS 15**”); and (ii) revenue from other sources not within the scope of HKFRS 15:

For the year ended 31 December 2023

Revenue from contracts with customers within the scope of HKFRS 15

	Continuing operations			Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	
Primary geographical markets:				
The People's Republic of China (the “PRC”)	8,421	167,029	–	175,450
Hong Kong (Place of domicile)	24,301	25	4,001	28,327
United States of America	4,443	–	–	4,443
Other Asian countries (<i>Note</i>)	8,123	–	–	8,123
Others (<i>Note</i>)	15,835	–	–	15,835
Total	<u>61,123</u>	<u>167,054</u>	<u>4,001</u>	<u>232,178</u>
Major products and services:				
Sales of goods	58,643	25	–	58,668
Commission income from concessionaire sales	–	166,513	–	166,513
Royalty income	2,473	–	–	2,473
Securities brokerage commission	–	–	1,021	1,021
Financial consultancy income	–	–	2,980	2,980
Other services income	7	516	–	523
Total	<u>61,123</u>	<u>167,054</u>	<u>4,001</u>	<u>232,178</u>
Timing of revenue recognition:				
At a point in time	58,643	25	1,021	59,689
Transferred over time	2,480	167,029	2,980	172,489
Total	<u>61,123</u>	<u>167,054</u>	<u>4,001</u>	<u>232,178</u>

Revenue from other sources not within the scope of HKFRS 15

	Continuing operations			Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	
Primary geographical markets:				
The PRC	–	49,563	–	49,563
Hong Kong (Place of domicile)	–	7,233	15,751	22,984
Total	–	56,796	15,751	72,547
Major products and services:				
Rental income	–	56,796	–	56,796
Interest income	–	–	15,751	15,751
Total	–	56,796	15,751	72,547

For the year ended 31 December 2022

Revenue from contracts with customers within the scope of HKFRS 15

	Continuing operations			Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	
Primary geographical markets:				
The PRC	9,879	131,664	–	141,543
Hong Kong (Place of domicile)	13,251	–	3,742	16,993
United States of America	8,405	–	–	8,405
Other Asian countries (<i>Note</i>)	12,350	–	–	12,350
Others (<i>Note</i>)	16,016	–	–	16,016
Total	59,901	131,664	3,742	195,307
Major products and services:				
Sales of goods	57,932	–	–	57,932
Commission income from concessionaire sales	–	131,276	–	131,276
Royalty income	1,531	–	–	1,531
Securities brokerage commission	–	–	2,798	2,798
Financial consultancy income	–	–	944	944
Other services income	438	388	–	826
Total	59,901	131,664	3,742	195,307
Timing of revenue recognition:				
At a point in time	57,932	–	2,798	60,730
Transferred over time	1,969	131,664	944	134,577
Total	59,901	131,664	3,742	195,307

Revenue from other sources not within the scope of HKFRS 15

	Continuing operations			Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	
Primary geographical markets:				
The PRC	–	58,433	–	58,433
Hong Kong (Place of domicile)	–	7,233	18,180	25,413
	<u>–</u>	<u>65,666</u>	<u>18,180</u>	<u>83,846</u>
Total	–	65,666	18,180	83,846
Major products and services:				
Rental income	–	65,666	–	65,666
Interest income	–	–	18,180	18,180
	<u>–</u>	<u>65,666</u>	<u>18,180</u>	<u>83,846</u>
Total	–	65,666	18,180	83,846

Note: The geographical information for the revenue attributed to each country recognised during the year is not available as the associated costs to capture such information would be excessive.

(c) **Segment assets**

The following table provides an analysis of reportable segment assets of different reportable segments recognised as at 31 December 2023 and 2022:

	2023 HKD'000	2022 HKD'000
Branding	315,515	276,120
Retailing	3,135,617	3,860,713
Financial services	377,176	442,417
	<u>3,828,308</u>	<u>4,579,250</u>
Total reportable segment assets	3,828,308	4,579,250
Unallocated	293,367	297,337
Assets classified as held for sale	759,765	261,500
	<u>759,765</u>	<u>261,500</u>
Consolidated total assets	4,881,440	5,138,087

(d) **Segment liabilities**

The following table provides an analysis of reportable segment liabilities of different reportable segments recognised as at 31 December 2023 and 2022:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Branding	53,714	37,693
Retailing	448,280	390,112
Financial services	25,576	29,103
Total reportable segment liabilities	<u>527,570</u>	456,908
Unallocated	<u>1,814,572</u>	1,835,585
Consolidated total liabilities	<u><u>2,342,142</u></u>	<u><u>2,292,493</u></u>

(e) **Other segment information**

For the year ended 31 December 2023

	Continuing operations				Consolidated <i>HKD'000</i>
	Branding <i>HKD'000</i>	Retailing <i>HKD'000</i>	Financial services <i>HKD'000</i>	Corporate and other unallocated <i>HKD'000</i>	
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure (<i>Note</i>)	49,897	3,024	3	-	52,924
Depreciation of property, plant and equipment	1,686	73,400	1,635	-	76,721
Depreciation of right-of-use assets	293	13,874	-	-	14,167
Amortisation of intangible assets	2,007	-	-	-	2,007
Loss on revaluation of property, plant and equipment	-	2,225	-	-	2,225
Write off of property, plant and equipment	104	9	-	-	113
Decrease in fair value of investment properties	-	65,041	-	-	65,041
Fair value loss on financial assets at fair value through profit or loss	-	-	23,724	-	23,724
Impairment loss on financial assets	1,497	3,784	1,252	-	6,533
Provision of allowance of inventories	6,709	-	-	-	6,709
Dividend income	-	-	(69)	-	(69)
Interest income	-	-	(15,751)	(6,692)	(22,443)
Interest expenses	1,298	102,702	-	-	104,000
	<u><u>1,298</u></u>	<u><u>102,702</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>104,000</u></u>

For the year ended 31 December 2022

	Continuing operations				Consolidated HKD'000
	Branding HKD'000	Retailing HKD'000	Financial services HKD'000	Corporate and other unallocated HKD'000	
Amounts included in the measures of segment results, segment assets and segment liabilities:					
Capital expenditure (<i>Note</i>)	21,385	58,416	35	–	79,836
Depreciation of property, plant and equipment	935	75,939	1,638	–	78,512
Depreciation of right-of-use assets	405	14,691	–	–	15,096
Amortisation of intangible assets	2,007	–	–	–	2,007
Gain on disposal of intangible assets	(144,269)	–	–	–	(144,269)
Write off of property, plant and equipment	–	4	–	–	4
Decrease in fair value of investment properties	–	7,023	–	–	7,023
Fair value loss on financial assets at fair value through profit or loss	–	–	17,412	85,420	102,832
Impairment loss on financial assets	(105)	431	340	–	666
Bad debts written off	187	453	–	–	640
Write off of obsolete inventories	22	–	–	–	22
Reversal of allowance of inventories	(12,935)	–	–	–	(12,935)
Dividend income	–	–	(55)	–	(55)
Interest income	–	–	(18,180)	(2,323)	(20,503)
Interest expenses	30	74,796	5	–	74,831
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note: Capital expenditure including purchases of property, plant and equipment and construction costs of outlet malls located in Shenyang and Xiamen of the PRC.

(f) **Geographical information**

The following table provides an analysis of revenue from external customers by geographical locations based on the services locations or delivery destinations and non-current assets by geographical locations based on the physical locations of the assets operated (“**Specified non-current assets**”):

	Continuing operations		Specified non-current assets	
	Revenue from external customers		<i>(Note)</i>	
	2023	2022	2023	2022
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
The PRC	225,013	199,976	2,682,971	3,353,718
Hong Kong (Place of domicile)	51,311	42,406	444,441	512,204
United States of America	4,443	8,405	42,091	42,091
Other Asian countries	8,123	12,350	72,483	26,162
Others	15,835	16,016	46,153	46,304
Total	304,725	279,153	3,288,139	3,980,479

Note: Non-current assets located in different geographical locations excluding deferred tax assets and restricted bank deposits which are located across different geographical locations and the costs of capturing such information will be excessive.

(g) **Information about major customers**

No revenue from transactions with a single external customer, in aggregate, representing 10% or more of the Group’s total revenue for the year ended 31 December 2023 and 2022.

5. REVENUE

The amounts of each significant categories of revenue recognised during the year are disaggregated as follows:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of goods	58,668	57,932
Commission income from concessionaire sales	166,513	131,276
Royalty income	2,473	1,531
Securities brokerage commission	1,021	2,798
Financial consultancy income	2,980	944
Other services income	523	826
	<u>232,178</u>	<u>195,307</u>
Revenue from other sources not within the scope of HKFRS 15:		
Rental income	56,796	65,666
Interest income	15,751	18,180
	<u>72,547</u>	<u>83,846</u>
Total	<u><u>304,725</u></u>	<u><u>279,153</u></u>
Discontinued operation		
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of goods	–	58,784

6. FINANCE COSTS

An analysis of finance costs recognised during the year is as follows:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Continuing operations		
Interest expenses on bank borrowings	89,076	61,426
Interest expenses on bank overdrafts	1	5
Interest expenses on lease liabilities	12,790	13,400
Interest expenses on amounts due to directors	2,133	–
	<u>104,000</u>	<u>74,831</u>
Discontinued operation		
Interest expenses on loan from non-controlling interests	–	7

7. INCOME TAX EXPENSE

The amount of income tax expense recognised in the consolidated statement of profit or loss during the year is as follows:

	Continuing operations		Discontinued operation		Total	
	2023 HKD'000	2022 HKD'000	2023 HKD'000	2022 HKD'000	2023 HKD'000	2022 HKD'000
Current tax:						
Hong Kong						
- Profits Tax						
- Provision for the year	(495)	(520)	-	-	(495)	(520)
- Under provision in respect of prior years	(175)	(30)	-	-	(175)	(30)
	<u>(670)</u>	<u>(550)</u>	<u>-</u>	<u>-</u>	<u>(670)</u>	<u>(550)</u>
The PRC and other jurisdictions						
- PRC Enterprise Income Tax						
- Provision for the year	(3,106)	(3,469)	-	-	(3,106)	(3,469)
- (Under)/over provision in respect of prior years	-	(9)	-	1,258	-	1,249
	<u>(3,106)</u>	<u>(3,478)</u>	<u>-</u>	<u>1,258</u>	<u>(3,106)</u>	<u>(2,220)</u>
- Foreign Tax						
- Provision for the year	(62)	(171)	-	-	(62)	(171)
- Over provision in respect of prior years	103	72	-	-	103	72
	<u>41</u>	<u>(99)</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>(99)</u>
Deferred tax:						
Hong Kong and the PRC						
- Profits Tax and PRC Enterprise Income Tax						
- Reversal/(provision) for the year	3,192	(1,058)	-	-	3,192	(1,058)
Income tax (expense)/credit	<u>(543)</u>	<u>(5,185)</u>	<u>-</u>	<u>1,258</u>	<u>(543)</u>	<u>(3,927)</u>

Hong Kong Profits Tax

The provision for Hong Kong Profits Tax was calculated by applying the statutory tax rate of 16.5% on the estimated taxable profits arising in Hong Kong for both current and prior years. According to the definition of “connected entity” under the Two-tiered Profits Tax Regime, the management has elected one of the Company’s subsidiaries to apply for the two-tiered profits tax rates to calculate the provision for Hong Kong Profits Tax for both current and prior years in the following manner.

For this elected subsidiary, the first HKD2,000,000 of the estimated taxable profits arising in Hong Kong was taxed at 8.25% and the remaining estimated taxable profits was taxed at 16.5%. The provision for Hong Kong Profits Tax for this elected subsidiary was calculated on the same basis for the prior year.

PRC Enterprise Income Tax

All of the group entities operating in the PRC were calculated by applying the statutory tax rate of 25% on the estimated taxable profits arising in the PRC for both current and prior years, except for one of the Company’s subsidiary incorporated in Hong Kong engaged in the property investment business in the PRC, which is subject to the withholding tax rate of 10% on its gross rental income, net of value-added tax, earned in the PRC for both current and prior years, based on the existing tax legislation, interpretation and practices in respect thereof.

Up to the date of approval and authorisation for issuance of the consolidated financial statements, the above subsidiary engaged in the property investment business in the PRC has not filed any tax returns for reporting its PRC Enterprise Income Tax in respect of its rental income earned in the PRC. The PRC tax authority has the right to levy penalty for any late filing of tax returns. The amount of such potential penalty cannot be reliably estimated as the range of which is wide. However, for all newly signed tenancy agreements between the Group and the tenants since the financial year of 2016, a new clause has been added in the agreements to require the tenants to pay the PRC Enterprise Income Tax based on 10% of its gross rental income, net of value-added tax, earned in the PRC on behalf of the Group, based on the existing tax legislation, interpretation and practices in respect thereof. According to the management experience and the above measures adopted, the amount of such potential penalty, if any, will not be material to the consolidated financial statements. In addition, pursuant to the signed sales and purchase agreement in respect of the acquisition of the above subsidiary in the financial year of 2014, both of the vendor and the guarantor have undertaken to indemnify the Group for any tax liability arising from the late filing of tax returns prior to the completion date of the acquisition.

Foreign tax

Taxation arising in other jurisdictions was calculated by applying the statutory tax rates that were expected to be applicable in the relevant jurisdictions, where those overseas subsidiaries operate, on the estimated taxable profits for both current and prior years.

8. LOSS FOR THE YEAR

(a) Other income and gains

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Continuing operations		
Dividend income	69	55
Gain on disposal of intangible assets (<i>Note (i)</i>)	–	144,269
Interest income	6,692	2,323
Government grants	3,142	8,306
Reimbursement income of operating outlet malls	13,098	13,362
Others	3,611	5,772
	<u>26,612</u>	<u>174,087</u>
Discontinued operation		
Interest income	–	14
Government grants	–	155
Others	–	39
	<u>–</u>	<u>208</u>

Note:

- (i) On 6 May 2022, the Group sold the intangible assets held by the Group related to the “PONY” trademark. The total consideration for the disposal was HKD218,400,000 (equivalent to approximately USD28,000,000) and the gain on disposal of approximately HKD144,269,000 was recognised in profit or loss.

(b) Other expenses

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Continuing operations		
Bad debts written off	–	640
Loss on revaluation of property, plant and equipment	2,225	–
Loss on disposal of interests in joint ventures	996	1,907
Write off of property, plant and equipment	113	4
Penalty expense	17	249
Others	118	125
	<u>3,469</u>	<u>2,925</u>

(c) Loss for the year is arrived at:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Continuing operations		
After charging:		
Directors' emoluments	7,203	7,202
Employees' costs (excluding Directors' emoluments)		
comprise:		
– Salaries	54,819	57,681
– Welfare and other expenses	1,914	2,043
– Contributions to defined contribution retirement plans	7,656	8,942
	<u>71,592</u>	<u>75,868</u>
Auditor's remuneration	2,100	2,100
Amortisation of intangible assets	2,007	2,007
Cost of inventories recognised as expenses	29,128	27,484
Depreciation of property, plant and equipment	76,721	78,512
Depreciation of right-of-use assets	14,167	15,096
Decrease in fair value of investment properties	65,041	7,023
Write off of obsolete inventories	–	22
Provision of allowance of inventories (<i>note (i)</i>)	6,709	–
Bad debts written off	–	640
Short-term leases expenses	3,111	4,875
	<u>3,111</u>	<u>4,875</u>
After crediting:		
Reversal of allowance of inventories (<i>note (i)</i>)	–	(12,935)
Gross rental income from investment properties	(56,796)	(65,666)
Less: Direct operating expenses related to:		
– Investment properties that generate rental income	13,605	15,580
– Investment properties that did not generate rental income	96	87
	<u>96</u>	<u>87</u>
	<u>(43,095)</u>	<u>(49,999)</u>

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Interest income from:		
– Bank deposits	(2,204)	(977)
– Loans receivable and advances to customers in margin financing	(15,751)	(18,180)
– Others	(4,488)	(1,346)
Dividend income	(69)	(55)
Reimbursement income of operating outlet malls	<u>(13,098)</u>	<u>(13,362)</u>
Discontinued operation		
Employees' costs (excluding Directors' emoluments) comprise:		
– Salaries	–	4,343
– Welfare and other expenses	–	37
– Contributions to defined contribution retirement plans	–	1,154
	<u>–</u>	<u>5,534</u>
Cost of inventories recognised as expenses	–	31,165
Depreciation of property, plant and equipment	–	452
Write off of obsolete inventories	–	850
Provision of allowance for inventories	–	231
Short-term leases expenses	–	3,093
Interest income from bank deposits	<u>–</u>	<u>(14)</u>

Note:

- (i) The provision/(reversal) of allowance of inventories arising from decrease/(increase) in net realisable value caused by the decrease/(increase) in estimated scrap value.

(d) Discontinued operation

On 7 January 2022, Tian Feng (Shanghai) Apparel and Accessory Trading Co., Ltd.* (添峯(上海)服飾貿易有限公司, a wholly owned subsidiary of the Company) (“**Tian Feng (Shanghai)**”), the Company, Descente, Ltd (the “**Purchaser**”) and Shanghai Descente Commercial Co., Ltd entered into the share purchase agreement, pursuant to which Tian Feng (Shanghai) has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire 70% of the equity interests in the registered capital of Arena Shanghai Industrial Co., Limited (“**Arena Shanghai**”), which was principally engaged in branding, retailing and provisions of sourcing services for “arena” swimwear and accessories in the PRC.

The disposal was completed on 27 June 2022, the date on which the control of Arena Shanghai was passed to the acquirer.

Details of the above transaction were disclosed in the Company’s announcements and circular dated 7 January 2022, 27 January 2022, 24 February 2022, 28 April 2022 and 27 June 2022 respectively.

	<i>Notes</i>	From 1 January to 27 June 2022 HKD’000
Discontinued operation		
Revenue	5	58,784
Cost of sales		<u>(31,165)</u>
Gross profit		27,619
Other income and gains	8(a)	208
Distribution and selling expenses		(23,155)
Administrative expenses		(2,094)
Depreciation expenses		(452)
Finance costs	6	<u>(7)</u>
Profit before income tax expense from discontinued operation		2,119
Income tax credit	7	<u>1,258</u>
Profit after tax		3,377
Gain on disposal of a subsidiary		<u>380</u>
Profit for the year from discontinued operation		<u><u>3,757</u></u>

	From 1 January to 27 June 2022 HKD'000
Profit/(loss) for the year attributable to:	
Owners of the Company	4,114
Non-controlling interests	(357)
	<u>3,757</u>
Operating cash flows	2,749
Investing cash flows	(357)
Financing cash flows	(3,690)
	<u>(1,298)</u>

A gain of approximately HKD380,000 arose for the year ended 31 December 2022 on the disposal of Arena Shanghai, being the proceeds of disposal less the carrying amount of the subsidiary group's net assets and associated transaction costs. No tax charge or credit arose from the disposal.

9. DIVIDEND

	2023 HKD'000	2022 HKD'000
2022 final dividend of HKD0.005 (2022: 2021 final dividend of HKD0.005) per ordinary share declared and paid	<u>14,871</u>	<u>14,871</u>

No interim dividend was declared and paid to the shareholders of the Company (the "Shareholders") for both current and prior years.

The Directors recommended the payment of a final dividend to the Shareholders in respect of the financial year ended 31 December 2023 of HKD0.005 (2022: HKD0.005) per ordinary share of the Company, in total of approximately HKD14,871,000 (2022: HKD14,871,000). The final dividend proposed after the end of reporting period was not reflected as dividend payable in the consolidated financial statements as at 31 December 2023 and 2022.

10. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

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

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Loss:		
Loss for the year attributable to owners of the Company	<u><u>(205,913)</u></u>	<u><u>(81,278)</u></u>
	2023 Number of shares '000	2022 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share	<u><u>2,974,225</u></u>	<u><u>2,974,225</u></u>
	<i>HK cents</i>	<i>HK cents</i>
Loss per share:		
Basis and diluted	<u><u>(6.92)</u></u>	<u><u>(2.73)</u></u>

The Company did not have any dilutive potential ordinary shares for the year ended 31 December 2023 and 2022. Accordingly, the diluted loss per share from continuing and discontinued operations are the same as the basic loss per share from continuing and discontinued operations.

From continuing operations

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Loss:		
Loss for the year attributable to owners of the Company	<u><u>(205,913)</u></u>	<u><u>(85,392)</u></u>
	2023 Number of shares '000	2022 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted loss per share	<u><u>2,974,225</u></u>	<u><u>2,974,225</u></u>
	<i>HK cents</i>	<i>HK cents</i>
Loss per share:		
Basis and diluted	<u><u>(6.92)</u></u>	<u><u>(2.87)</u></u>

From discontinued operation

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Profit:		
Profit for the year attributable to owners of the Company	–	4,114
	2023 Number of shares '000	2022 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating the basic and diluted earnings per share	2,974,225	2,974,225
	<i>HK cent</i>	<i>HK cent</i>
Earnings per share:		
Basic and diluted	N/A	0.14

11. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTIES

Property, plant and equipment

The carrying amount of the property, plant and equipment decreased during the year was mainly due to the depreciation of Renminbi (“RMB”) against HKD for the properties located in the PRC.

Investment properties

The investment properties (including investment properties classified as held for sale) located in Hong Kong, Beijing, Shanghai, Chongqing and Tianjin, the PRC are held either medium or long-term leases and for the purpose of either earning rental income or capital appreciation.

The carrying amount of the investment properties decreased during the year was mainly due to the effect of the decrease in fair value of investment properties and the depreciation of RMB against HKD.

12. INVENTORIES

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Raw materials	4,026	2,035
Work-in-progress	870	717
Finished goods	46,100	36,505
Goods-in-transit	8,225	14,224
	<u>59,221</u>	<u>53,481</u>
Provision of allowance	<u>(11,369)</u>	<u>(4,787)</u>
	<u><u>47,852</u></u>	<u><u>48,694</u></u>

A provision of allowance of inventories of approximately HKD6,709,000 (2022: reversal of allowance of approximately HKD12,704,000) was recognised in profit or loss during the year due to the decrease (2022: increase) in estimated net realisable value of certain categories of inventories as a result of decrease (2022: increase) in estimated scrap value.

13. TRADE AND OTHER RECEIVABLES

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Trade receivables arising from:		
– Other than financial services segment	35,570	32,036
– Financial services segment	8,494	8,708
	<u>44,064</u>	<u>40,744</u>
Total gross carrying amount	44,064	40,744
Less: Loss allowance	<u>(3,015)</u>	<u>(1,034)</u>
	<u>41,049</u>	<u>39,710</u>
Prepayments, deposits and other receivables:		
Total gross carrying amount	191,377	217,325
Less: Loss allowance	<u>(6,059)</u>	<u>(4,741)</u>
	<u>185,318</u>	<u>212,584</u>
Total trade and other receivables	<u><u>226,367</u></u>	<u><u>252,294</u></u>

The following is an ageing analysis of trade receivables, net of loss allowance, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
0 to 30 days	26,678	19,583
31 to 60 days	1,737	3,254
61 to 90 days	787	1,579
Over 90 days	11,847	15,294
	<u>41,049</u>	<u>39,710</u>

14. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Directors and their associates	16,011	25,946
Other margin clients	<u>119,323</u>	<u>151,215</u>
	<u><u>135,334</u></u>	<u><u>177,161</u></u>

At 31 December 2023 and 2022, the carrying amount of advances to customers in margin financing arising from the margin financing business in Hong Kong was secured by listed equity securities, carried at average interest rates from Hong Kong Dollar Prime Rate (“**Prime Rate**”) to Prime Rate plus 3% per annum and repayable on demand.

Based on the result of the expected credit loss calculation with reference to the discounted market value of listed equity securities, no provision of loss allowance was recognised for both current and prior years given that no significant default events of failure to repay the margin calls from any margin clients and the discounted market value of listed equity securities pledged were sufficiently covered the outstanding loan balances as at 31 December 2023 and 2022.

No ageing analysis is disclosed for advances to customers in margin financing, as in the opinion of the Directors, an ageing analysis is not meaningful in the view of the business nature of margin financing. The maximum exposure of credit risk against the Group is the carrying amount at the end of reporting period.

15. LOANS RECEIVABLE

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Secured:		
Total gross carrying amount	59,251	58,324
Less: Loss allowance	<u>(2,714)</u>	<u>(2,077)</u>
	<u><u>56,537</u></u>	<u><u>56,247</u></u>

Movement of loss allowance of loans receivable during the year is as follows:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
At 1 January	2,077	1,727
Provision of loss allowance	<u>637</u>	<u>350</u>
At 31 December	<u><u>2,714</u></u>	<u><u>2,077</u></u>

At 31 December 2023 and 2022, the carrying amount of loans receivable arising from the money lending business in Hong Kong was secured by mortgages over the borrowers’ properties and listed equity securities in Hong Kong, carried at interest rates from 12% to 18% (2022: 12% to 18%) per annum and repayable within one year from the dates of advances to the borrowers or on demand.

16. TRADE AND OTHER PAYABLES

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
Trade payables arising from:		
– Other than financial services segment	148,519	118,540
– Financial services segment	23,979	27,682
	<hr/>	<hr/>
Total trade payables	172,498	146,222
Accruals, receipts in advance, temporary receipts and other payables	164,602	120,550
	<hr/>	<hr/>
Total trade and other payables	337,100	266,772
	<hr/> <hr/>	<hr/> <hr/>

The following is an ageing analysis of trade payables arising from other than financial services segment, which is presented based on the invoice date or transaction date, where applicable, at the end of reporting period:

	2023 <i>HKD'000</i>	2022 <i>HKD'000</i>
0 to 30 days	121,248	74,016
31 to 60 days	21,940	35,496
61 to 90 days	3,239	4,233
Over 90 days	2,092	4,795
	<hr/>	<hr/>
	148,519	118,540
	<hr/> <hr/>	<hr/> <hr/>

The settlement terms of trade payables arising from the ordinary course of business of dealing in securities are either one or two trading days after the trade date depending on the categories of the underlying securities transactions are executed. No ageing analysis is disclosed for the trade payables arising from financial services segment, as in the opinion of the Directors, an ageing analysis is not meaningful in the view of the business nature of dealing in securities and margin financing.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2023, the economy in the mainland has achieved its full-year target, with the total retail sales of consumer goods recording a significant growth; however, there are still many hidden concerns in the overall business environment with the slow pace of economic recovery. In the face of opportunities and difficulties, Symphony Group is engaged in operations with a prudent and stable attitude.

The Group mainly runs “Park Outlets”, its retail business, on the model of “Outlets + Community Malls” in the mainland. The outlets, located in Xiamen, Shenyang and Anyang, offer a variety of luxurious fashionable, outdoor and sports brands for shopping and leisure. Community malls, located in Tianjin and Chongqing, provide residents with daily necessities. “Park Outlets” has capitalized on the opportunities brought by the internal circulation and recorded double-digit growth in the number of visitors and purchases compared with the same period last year in both Xiamen and Shenyang in 2023. During the period, the number of membership of the two “Park Outlets” increased significantly by more than 50%, and the consumption contribution of membership accounted for more than half of the total. A number of fashion and restaurant chains chose to set up their first outlet stores at Xiamen “Park Outlets” in Fujian Province. In order to cultivate an environment that stimulates consumption, outlets re-planned the space inside the venue with an addition of more shops and large cross-floor stores, to enrich the shopping experience for visitors. The results of online promotion were remarkable, with the number of fans of Douyin increased four times over the number of the previous year, and the registration number of WeChat Mall increased by more than 80% over the number of the previous year. The performance of the community shopping mall remained stable during the year, and the policy of positioning itself as a “residents’ lifestyle square” brought stable income for the business. The merchant combination of supermarkets, educational clubs, specialty restaurants, etc. created a scenario of “daily one-stop consumption” for residents and continued to attract nearby family customers with high consumption capacity.

The Group owns diversified brand business and currently operates SKINS, the world’s first compression sportswear brand, health care business of Supremium Bio-technology Limited (“SBT”) and Hakuryu, the Japanese sake. SKINS formed a joint venture with ITOCHU Corporation (“ITOCHU”), one of the largest general trading companies in Japan, to conduct joint operation. After several years of operation, a stable sales network has been established. Last year, the Group acquired more interests in the joint ventures, which promoted further improvement of operating efficiency. Although the competition in the global compression garment market becomes fierce, the Group adjusted its business strategies in a timely manner, and actively developed a network of partners available in various regions to seek for the healthy development of the brands.

For SBT, which focuses on the local health care market, is mainly engaged in R & D, production and distribution of health care products. At present, it has 40 own brands and 80 customer brands, and its products are available in 700 pharmacies and duty-free shops in Hong Kong. Benefited from the full resumption of normal travel and the simultaneous optimization of sales network, the demand for major products has increased significantly, and annual sales have recorded observable growth.

In addition, the Group developed the Japanese sake business in the early years, invested in Yoshida Brewery, which has a history of 200 years and launched two products with different orientations. Despite the difficult business environment in the retail and catering industry, brands plan step by step, with a gradual increasing in market share.

The Group's financial business has been well established in Hong Kong for many years, mainly providing margin financing, underwriting and placing, consultancy services and lending. Over the past year, the capital market environment in Hong Kong has been rife with uncertainties, such as reduced capital inflows, high interest rates and weak turnover in the capital market. In the face of the fast-changing market, the Group demonstrates the well management of risks, continues to serve customers in a professional spirit, and maintains the healthy and steady development of its business.

FINANCIAL REVIEW

Overview of Annual Results

During the Year, the Group's overall revenue increased by approximately 9.2% to approximately HKD304.7 million (2022: approximately HKD279.2 million).

Gross profit for the Year amounted to approximately HKD275.6 million, representing an increase of approximately HKD23.9 million or approximately 9.5% as compared with approximately HKD251.7 million for the Comparable Year. Gross profit margin for the Year was approximately 90.4% (2022: approximately 90.2%).

The Group recorded loss for the year attributable to owners of the Company of approximately HKD205.9 million for the Year, compared with loss of approximately HKD81.3 million for the Comparable Year, representing an increase in loss of approximately 153.3% or approximately HKD124.6 million. The loss for the year attributable to owners of the Company for the Year was mainly attributable to (i) the decrease in fair value of investment properties; (ii) the fair value loss on financial assets at fair value through profit or loss; (iii) the increase in finance costs due to the rise in Hong Kong Interbank Offered Rate; and (iv) the absence of an one-off gain on the disposal of "PONY" business which was recorded in the Comparable Year.

Overall, the Group recorded basic and diluted loss per share of approximately HK6.92 cents for the Year, as compared with basic and diluted loss per share of approximately HK2.73 cents for the Comparable Year.

Revenue and operating results

Segment information

Branding

The branding segment comprised of: (i) development and management of “SKINS” trademarks; (ii) sourcing, manufacturing and trading of healthcare products in Hong Kong; and (iii) distribution of Japanese wine. Revenue for the Year amounted to approximately HKD61.1 million (2022: approximately HKD59.9 million), representing an increase of approximately 2.0%.

The segment gross profit margin decreased to approximately 51.3% for the Year (2022: approximately 54.0%). The reportable segment loss of the branding segment was approximately HKD39.4 million for the Year (2022: reportable segment profit of approximately HKD109.0 million). The decrease in reportable segment profit was mainly due to the absence of an one-off gain on the disposal of “PONY” business which was included in other income and gains for the Comparable Year.

Retailing

The retailing segment comprised of: (i) management and operation of outlet malls located in Xiamen, Shenyang and Anyang of the PRC; and (ii) investment properties including commercial premises located in Hong Kong, Beijing and Shanghai of the PRC and community malls located in Chongqing and Tianjin of the PRC. The investment properties are held either medium or long-term leases and for the purpose of either earning rental income or capital appreciation.

Revenue for the Year amounted to approximately HKD223.9 million (2022: approximately HKD197.3 million), representing an increase of approximately 13.4%. The segment gross profit margin was 100.0% for the Year (2022: 100.0%). The reportable segment loss of the retailing segment was approximately HKD81.4 million for the Year (2022: reportable segment loss of approximately HKD49.1 million). The increase in reportable segment loss was mainly due to the decrease in fair value of investment properties.

Financial Services

The financial services segment continues to generate service income or interest income from the provisions of securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services in Hong Kong.

Revenue for the Year amounted to approximately HKD19.8 million (2022: approximately HKD21.9 million). The segment gross profit margin was 100.0% for the Year (2022: 100.0%). The reportable segment loss was approximately HKD22.0 million for the Year (2022: reportable segment loss of approximately HKD10.3 million). The increase in reportable segment loss was mainly due to the fair value loss on financial assets at fair value through profit or loss.

Other income and gains

Other income and gains mainly comprised of the reimbursement income of outlet malls and interest income. Other income and gains decreased from approximately HKD174.1 million for the Comparable Year to approximately HKD26.6 million for the Year, representing a decrease of approximately 84.7%. The decrease was due to the absence of an one-off gain on the disposal of “PONY” business which was recorded in the Comparable Year.

Distribution and selling expenses

Distribution and selling expenses mainly comprised of the advertising and promotion expenses and employees’ costs. Distribution and selling expenses increased from approximately HKD77.6 million for the Comparable Year to approximately HKD78.4 million for the Year, representing a slight increase of approximately 1.0%.

Administrative expenses

Administrative expenses mainly comprised of employees’ costs, PRC tax surcharges and levies, professional fees and utilities expenses. Administrative expenses decreased from approximately HKD153.1 million for the Comparable Year to approximately HKD148.1 million for the Year, representing a decrease of approximately 3.3%. The decrease was due to the cost control measures implemented during the Year.

Finance costs

Finance costs mainly comprised of interest expenses on bank borrowings. Finance costs increased from approximately HKD74.8 million for the Comparable Year to approximately HKD104.0 million for the Year, representing an increase of approximately 39.0%. The increase was primarily due to the rise in Hong Kong Interbank Offered Rate during the Year.

Provision of impairment loss on financial assets

Provision of impairment loss on financial assets for the Year amounted to approximately HKD6.5 million, as compared with approximately HKD0.7 million for the Comparable Year. Impairment loss on financial assets comprised of impairment loss on trade and other receivables and loans receivable.

Decrease in fair value of investment properties

Decrease in fair value of investment properties for the Year amounted to approximately HKD65.0 million, as compared with decrease of approximately HKD7.0 million for the Comparable Year. The increase in fair value loss of investment properties was due to the continued downtrend in the commercial property market of Hong Kong and the PRC during the Year.

Fair value loss on financial assets at fair value through profit or loss

Fair value loss on financial assets at fair value through profit or loss for the Year amounted to approximately HKD23.7 million, as compared with loss of approximately HKD102.8 million for the Comparable Year. The decrease was primarily attributable to the fair value loss of approximately HKD85.4 million incurred by a listed security disposed during the Comparable Year.

Income tax expense

Income tax expense for the Year amounted to approximately HKD0.5 million, representing a decrease of approximately 89.5% as compared with the income tax expense of approximately HKD5.2 million for the Comparable Year. The decrease was due to the drop in taxable profits during the Year.

Loss for the year attributable to owners of the Company

The Group reported loss for the year attributable to owners of the Company of approximately HKD205.9 million for the Year as compared with loss of approximately HKD81.3 million for the Comparable Year. This was mainly attributable to (i) the decrease in fair value of investment properties; (ii) the fair value loss on financial assets at fair value through profit or loss; (iii) the increase in finance costs due to the rise in Hong Kong Interbank Offered Rate; and (iv) the absence of an one-off gain on the disposal of “PONY” business which was recorded in the Comparable Year.

MARKET INFORMATION

During the Year, revenue from the PRC, Hong Kong and other Asian countries comprised of approximately 93.3% (2022: approximately 91.3%) of the total revenue and the remaining of approximately 6.7% (2022: approximately 8.7%) shared between the United States of America and other countries.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group had bank balances and cash amounted to approximately HKD132.6 million (2022: approximately HKD98.1 million). The Group was offered banking facilities amounted to approximately HKD1,731.1 million (2022: approximately HKD1,473.6 million).

As at 31 December 2023, the Group's bank borrowings amounted to approximately HKD1,386.8 million (2022: approximately HKD1,444.0 million). The Group had variable interest-rate bank borrowings carried at interest rates from approximately 1.92% to 7.87% (2022: approximately 2.51% to 7.40%) per annum. The weighted average effective interest-rate was approximately 6.2% (2022: approximately 6.2%) per annum. The Group's gearing ratio was expressed as a percentage of total outstanding net debt (being the total bank borrowings less bank balances and cash) to total equity was approximately 49.4% (2022: approximately 47.3%). Bank borrowings of approximately HKD813.8 million (2022: approximately HKD549.8 million) must be repaid within one year, while the remaining balance must be repaid from two to nineteen years (2022: two to twenty years).

As at 31 December 2023, the Group's current assets and current liabilities were approximately HKD1,547.9 million (2022: approximately HKD1,084.6 million) and approximately HKD1,259.1 million (2022: approximately HKD880.8 million) respectively. Accordingly, the Group's current ratio that expressed as current assets to current liabilities was approximately 1.23 (2022: approximately 1.23).

PLEDGE OF ASSETS

As at 31 December 2023, the Group pledged: (i) certain of its leasehold land and buildings, outlet mall buildings, investment properties, right-of-use assets, asset classified as held for sale and restricted bank deposits, with the respective carrying amounts of approximately HKD250.0 million, HKD1,532.9 million, HKD493.9 million, HKD428.3 million, HKD759.8 million and HKD51.0 million as at 31 December 2023 (2022: HKD277.2 million, HKD1,573.7 million, HKD825.5 million, HKD454.3 million, HKD261.5 million and HKD42.8 million); (ii) shares of certain of the Company's subsidiaries; (iii) corporate guarantees provided by the Company and certain of its subsidiaries and a related party; and (iv) personal guarantee provided by a director of the Company, to secure the banking facilities offered to the Group.

CAPITAL COMMITMENTS

As at 31 December 2023, the Group's capital commitments amounted to approximately HKD9.1 million in respect of construction costs of outlet mall buildings located in Shenyang of the PRC and construction costs of brewery located in Japan (2022: approximately HKD39.4 million).

CAPITAL EXPENDITURE

Capital expenditure including purchases of property, plant and equipment and construction costs of brewery located in Japan was approximately HKD52.9 million for the Year (2022: approximately HKD79.8 million).

CONTINGENT LIABILITIES

Details of potential tax liabilities in connection with the potential tax penalty arising from the late filing of the PRC tax returns for reporting the PRC Enterprise Income Tax to the PRC tax authority are disclosed in Note 7 of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group's total number of employees was 206 (2022: 193). Employees' costs (excluding directors' emoluments) comprise of salaries, welfare and other expenses and contribution to defined contribution retirement plans amounted to approximately HKD64.4 million (2022: approximately HKD68.7 million).

In addition to competitive remuneration packages, discretionary bonus and employee share options are offered to the Group's eligible staff based on their performance and individual merits. The Group also provides other benefits including insurance, medical scheme and retirement plans to its employees.

SHARE OPTION SCHEME

During the Year and the Comparable Year, no share option was granted, exercised, expired, or lapsed and as at the date of this announcement, there was no outstanding share option under any share option scheme adopted by the Company.

TREASURY POLICY

Several principal subsidiaries of the Group are exposed to foreign currency risk primarily through sales and purchases which give rise to monetary assets and monetary liabilities that are denominated in Renminbi and United States Dollars. During the Year, the Group did not enter into any financial derivatives for hedging purpose. However, the management monitors foreign exchange exposure from time to time. Appropriate measures would be undertaken by the management when the exchange rate fluctuations become significant.

DIVIDEND

The Board recommended the payment of a final dividend of HKD0.005 (2022: HKD0.005) per ordinary share for the Year, which is subject to the approval of the shareholders of the Company at the annual general meeting (the “AGM”) to be held on Friday, 28 June 2024. The final dividend is proposed to be paid on or about 4 September 2024 to the shareholders whose names appear on the register of members of the Company at the close of business on 12 August 2024.

CLOSURE OF REGISTER OF MEMBERS

- (1) The AGM is scheduled to be held on Friday, 28 June 2024. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 24 June 2024 to Friday, 28 June 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of members of the Company on 28 June 2024 will be entitled to attend and vote at the AGM. In order for a shareholder of the Company to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 21 June 2024.
- (2) For determining the entitlement to the final dividend for the Year, the register of members of the Company will be closed from Thursday, 8 August 2024 to Monday, 12 August 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order for a shareholder of the Company to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 7 August 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, SIGNIFICANT INVESTMENTS AND FUTURE PLANS OF MATERIAL INVESTMENT

Disposal of 50% interest in a joint venture

On 5 July 2023, the Company entered into a share sale and purchase agreement with Luxembourg Pony Holdings S.à r.l. (“**Luxembourg Pony**”) (a company incorporated in Luxembourg with limited liability and is a wholly-owned subsidiary of Iconix International, Inc.) in relation to the 50% equity interest in Wisdom Class International Limited (“**Wisdom Class**”), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the 50% equity interest in Wisdom Class (the “**Disposal**”). Before completion of the Disposal, Wisdom Class was owned as to 50% by the Company and 50% by Luxembourg Pony. Upon completion of the Disposal, the Company ceased to have any interest in Wisdom Class.

All conditions had been fulfilled and completion of the Disposal had taken place on 5 July 2023.

Connected transaction in relation to the acquisition of 25% interest in a non-wholly owned subsidiary

On 5 December 2023, the Company (as purchaser) and ITOCHU Textile Prominent (Asia) Limited (“**IPA**”) (as seller) entered into a share sale and purchase agreement pursuant to which the Company agreed to purchase, and IPA agreed to sell, 1,000,000 shares of SYM ITO Sales and Distribution Company Limited (“**SYM ITO**”, a non-wholly owned subsidiary of the Company), representing 25% of the total issued shares of SYM ITO for a consideration of USD1,000,000 (equivalent to approximately HKD7,800,000) (the “**Acquisition**”). Upon completion of the Acquisition on 12 December 2023, the Company holds 85% interest in SYM ITO and SYM ITO remains as a non-wholly owned subsidiary of the Company.

As IPA is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of SYM ITO, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The connected transaction under the Acquisition falls within the de minimis threshold under Rule 14A.76(2) of the Listing Rules and therefore is only subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and independent shareholders’ approval requirements contemplated under Chapter 14A of the Listing Rules.

Please refer to the announcement of the Company dated 5 December 2023 for further details.

Save as disclosed above, the Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures, significant investments and future plans of material investment during the Year.

FUTURE PROSPECTS

Looking ahead, the external environment is still full of challenges, such as the continued weakness of China's property market and the pressure in Consumer Price Index. However, the Group is convinced that the economic resilience of the nation is strong and the risks in all aspects can be adjusted and controlled. At the same time, the government in the mainland emphasizes the nation's domestic circulation economy, further develops "The Year of Consumption Promotion", expands domestic demand and deepen supply and continues to implement policies to improve the consumption potential. Besides, the Group will seize policy opportunities and deepen the development of "Park Outlets" with merchants engaged in more internationally renowned young fashion brands, the cooperation with existing high-quality brands promoted and the mutual value created. At the promotion level, traffic is diverted through social platforms and converted into physical consumption. Hardware facilities are regularly upgraded and optimized to provide visitors with a new shopping experience.

Regarding the brand outlook, the Group believes that market competition will remain fierce. The compressed closing business will actively control costs and improve operating efficiency. At the same time, we will launch more new products to enhance the brand image; deepen key markets and develop suitable partners. In healthcare business, we will further enrich our product lines, increase promotion to target audiences, and seek domestic and foreign partners. The Japanese sake business launches new products in a timely manner and expands sales channels. In addition, the market expects that the interest rate hike cycle has entered its final stage, which is believed to bring some positive factors to the Hong Kong capital market. The Group is cautiously optimistic about the financial business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises of three independent non-executive Directors, namely Mr. Chow Yu Chun Alexander (the chairman of Audit Committee), Mr. Shum Pui Kay and Mr. Wah Wang Kei Jackie, has reviewed the final results for the Year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the Year except for the following deviations:

- Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separated and should not be performed by the same individual. Mr. Cheng Tun Nei ("**Mr. Cheng**") currently serves as both the Chairman and Chief Executive Officer of the Company. In view of the evolving business environment in which the Group operates, the Board is of the view that vesting the roles of both the Chairman and Chief Executive Officer of the Company on Mr. Cheng will provide the Group with strong and consistent leadership while enabling more effective and timely business planning and decision-making process.
- Pursuant to code provision B.2.4(b) of the CG Code, if all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting for the financial year commencing on or after 1 January 2023. Starting from 15 December 2023, all independent non-executive Directors have served on the Board for more than nine years. Therefore, the Company should appoint a new independent non-executive Director on the Board. As at the date of this announcement, the Company is still in the process of identifying suitable candidate and will use its best endeavours to ensure that suitable candidate be appointed as soon as practicable in order to comply with code provision B.2.4(b) of the CG Code. Further announcement will be made by the Company as and when appropriate.
- During the period from 8 July 2022 (the date of the resignation of Mr. Yeung King Hang, the former company secretary of the Company) to 1 March 2023, the Company did not comply with the requirement under Rule 3.28 of the Listing Rules and the relevant code provisions of the CG Code. On 1 March 2023, Mr. Tam Sik Wai was appointed as the company secretary of the Company and the Company re-complied with such requirement and the relevant code provisions hereafter.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there was no other significant event affecting the Group that had occurred after 31 December 2023 and up to date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific inquiries with all Directors, it is confirmed that all Directors have complied with the required standards set out in the Model Code throughout the Year.

The Company has also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.symphonyholdings.com. The annual report for the Year containing all the information required by Listing Rules will be despatched to shareholders of the Company and will be made available on the above websites by the end of April 2024.

By order of the Board
Symphony Holdings Limited
Cheng Tun Nei
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Directors are:

Executive Directors:

Mr. Cheng Tun Nei
(Chairman and Chief Executive Officer)
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming

Independent non-executive Directors:

Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

* *For identification purpose only*