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Cocoon Holdings Limited **中國天弓控股有限公司**

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 428)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

The financial highlights of Cocoon Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) are summarised as follows:

- Revenue of the Group and gross proceeds from disposal of trading securities for the year ended 31 December 2024 was approximately HK\$254,000 and HK\$49,114,000 as compared to approximately HK\$1,399,000 and HK\$62,032,000 for the last year respectively.
- Loss attributable to owners of the Company for the year ended 31 December 2024 was approximately HK\$76,810,000 as compared to the profit of approximately HK\$53,505,000 for the last year.
- The Board (the “**Board**”) of Directors (the “**Directors**”) of the Company does not recommend payment of final dividend for the year ended 31 December 2024 (2023: nil).
- Basic loss per share was HK\$1.08 for the year ended 31 December 2024 (2023: earnings per share of HK\$0.96).

The Board announces the consolidated results of the Group for the year ended 31 December 2024 together with comparative figures for the corresponding year ended 31 December 2023. The following consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes, including the comparative figures, have been extracted from the Group’s consolidated financial statements for the year ended 31 December 2024 which have been prepared in accordance with IFRS Accounting Standards.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Gross proceeds from disposal of trading securities		49,114	62,032
Revenue	5	254	1,399
Other (losses)/gains, net	6	(72,218)	58,456
Other operating expenses		(3,980)	(5,317)
Finance costs	7	(866)	(1,033)
(Loss)/profit before tax	8	(76,810)	53,505
Income tax	9	–	–
(Loss)/profit for the year attributable to owners of the Company		(76,810)	53,505
Other comprehensive income/(expense), net of tax:			
<i>Item that will not be reclassified to profit or loss:</i>			
– Fair value gain/(loss) on financial asset at fair value through other comprehensive income (“FVTOCI”)		6,624	(2,662)
Total comprehensive (expense)/income for the year attributable to owners of the Company		(70,186)	50,843
			(Restated)
(Loss)/earnings per share	10		
Basic (HK\$)		(1.08)	0.96
Diluted (HK\$)		(1.08)	0.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		–	–
Right-of-use assets		–	–
		<hr/>	<hr/>
		–	–
		<hr/>	<hr/>
Current assets			
Deposits, prepayments and other receivables		216	338
Financial assets at fair value through profit or loss (“FVTPL”)	<i>12</i>	115,713	172,306
Financial asset at FVTOCI	<i>13</i>	28,865	22,241
Amounts due from securities brokers		2,471	338
Cash and bank balances		191	7,799
		<hr/>	<hr/>
		147,456	203,022
		<hr/>	<hr/>
Current liabilities			
Other payables		3,453	2,441
Promissory notes		13,939	4,335
		<hr/>	<hr/>
		17,392	6,776
		<hr/>	<hr/>
Net current assets		130,064	196,246
		<hr/>	<hr/>
Total assets less current liabilities		130,064	196,246
		<hr/>	<hr/>
Non-current liability			
Promissory notes		–	10,000
		<hr/>	<hr/>
NET ASSETS		130,064	186,246
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>14</i>	850	60,434
Reserves		129,214	125,812
		<hr/>	<hr/>
TOTAL EQUITY		130,064	186,246
		<hr/>	<hr/>
Net asset value per share		HK\$1.53	HK\$0.31
		<hr/>	<hr/>

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The principal place of business of the Company is Room 14A, Fortune House, 61 Connaught Road Central, Central, Hong Kong. The principal activities of the Group are investments in securities listed on recognised stock exchanges and unlisted investments with a potential for earnings growth and capital appreciation.

The investment objective of the Group is to achieve an enhanced earnings stream and capital appreciation from its investments.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which in collective term includes all IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (the “**IASB**”). The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance.

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

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Application of amendments to IFRS Accounting Standards

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

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2024.

	Effective for the accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to IFRS 9 and IFRS 7 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS Accounting Standards <i>Annual Improvement to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined by the IASB

Except for the adoption of IFRS 18, which is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements, the Directors anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION

(a) Operating segment information

Information reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance. Since the Group's business activities are organised into a single operating segment, being the investments in securities listed on recognised stock exchanges and unlisted investments with a potential for earnings growth and capital appreciation, no segment information is presented other than entity-wide disclosures.

(b) Geographical information

The revenue of the Group are solely generated from Hong Kong during the years ended 31 December 2024 and 2023 while the Group has no non-current assets as at 31 December 2024 and 2023.

5. REVENUE

Revenue of the Group represented the dividend income from listed equity securities classified as financial assets at FVTPL and interest income from loan notes.

	2024 HK\$'000	2023 HK\$'000
Dividend income from listed equity securities classified as financial assets at FVTPL	254	697
Interest income from loan notes	–	702
	254	1,399

6. OTHER (LOSSES)/GAINS, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net unrealised fair value (losses)/gains on equity securities classified as financial assets at FVTPL	(78,891)	54,869
Net realised gains on disposal of equity securities classified as financial assets at FVTPL	<u>6,673</u>	<u>251</u>
Net (losses)/gains on equity securities classified as financial assets at FVTPL	(72,218)	55,120
Gain on disposal of loan notes	<u>–</u>	<u>3,336</u>
	<u><u>(72,218)</u></u>	<u><u>58,456</u></u>

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Imputed interest on promissory notes	832	1,029
Interest on margin financing	34	–
Interest on lease liabilities	<u>–</u>	<u>4</u>
	<u><u>866</u></u>	<u><u>1,033</u></u>

8. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging the followings:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Directors' emoluments:		
– Fee, salaries and allowance	771	881
– Contributions to defined contribution plan (<i>note</i>)	<u>21</u>	<u>21</u>
	792	902
Auditor's remuneration	368	368
Management fees	653	774
Depreciation expense on right-of-use assets	<u>–</u>	<u>202</u>
	<u><u>792</u></u>	<u><u>902</u></u>

Note: There was no forfeited contribution in respect of the defined contribution plan available at 31 December 2024 and 2023 to reduce future contributions. There was no outstanding contribution to the plan at 31 December 2024 and 2023.

9. INCOME TAX

No provision for Hong Kong Profits Tax has been made since the Group incurred tax losses during the year ended 31 December 2024.

No provision for Hong Kong Profits Tax has been made since the Group has sufficient tax losses brought forward to set off against the assessable profits for the year ended 31 December 2023.

The Group is not subject to taxation in other jurisdictions.

10. (LOSS)/EARNINGS PER SHARE

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

(Loss)/profit

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit attributable to owners of the Company for the purposes of calculating basic and diluted (loss)/earnings per share	<u>(76,810)</u>	<u>53,505</u>

Number of shares

	2024 <i>'000</i>	2023 <i>'000</i> (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss)/earnings per share (<i>note</i>)	<u>70,984</u>	<u>55,845</u>

Note: The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the year ended 31 December 2023 was restated based on the share consolidation of every ten existing ordinary shares into one consolidated ordinary share which was become effective on 2 July 2024.

For the purpose of calculating diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023, no adjustment has been made to the weighted average number of ordinary shares as there are no potential dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

11. DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

12. FINANCIAL ASSETS AT FVTPL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Listed equity securities:		
Equity securities – Listed in Hong Kong	27,070	12,197
Equity securities – Listed in the United States (the “U.S.”)	<u>69,067</u>	<u>140,004</u>
Unlisted equity investments	96,137	152,201
	<u>19,576</u>	<u>20,105</u>
	<u>115,713</u>	<u>172,306</u>

At the end of the reporting period, details of the Group's major equity securities are as follows:

Stock name	As at 31 December	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	Net assets/ (liabilities) attributable to the investment HK\$'000	Accumulated unrealised fair value gains/(losses) on investment recognised in profit or loss during the year HK\$'000	% of total assets of the Group
Listed equity securities							
Hong Kong							
Tencent Holdings Limited (note (i))	2024	0.00%*	4,491	5,421	1,574	930	3.68%
	2023	0.00%*	5,405	5,021	1,727	(384)	2.47%
Alibaba Group Holding Limited (note (ii))	2024	0.00%*	5,896	4,919	3,598	(977)	3.34%
	2023	0.00%*	1,263	1,278	858	15	0.63%
BYD Company Limited (note (iii))	2024	–	–	–	–	–	–
	2023	0.00%*	3,111	3,216	2,113	105	1.58%
CMOC Group Limited (note (iv))	2024	–	–	–	–	–	–
	2023	0.00%*	2,478	2,191	9,584	(287)	1.08%
Semiconductor Manufacturing International Corporation (note (v))	2024	0.00%*	9,686	11,289	11,064	1,603	7.66%
	2023	–	–	–	–	–	–
Xiaomi Corporation (note (vi))	2024	0.00%*	3,216	3,202	742	(14)	2.17%
	2023	–	–	–	–	–	–
Midea Group Co. Ltd. (note (vii))	2024	0.00%*	1,547	1,390	451	(157)	0.94%
	2023	–	–	–	–	–	–
The U.S.							
Readen Holding Corporation ("Readen") (note (viii))	2024	7.95%	12,046	3,569	5,729	(8,477)	2.42%
	2023	7.97%	12,046	6,692	5,008	(5,354)	3.30%
Winchester Holding Group ("Winchester") (note (ix))	2024	1.05%	20,966	41,933	35	20,967	28.44%
	2023	1.05%	20,966	69,888	37	48,922	34.42%
Sante Technology Holdings Inc. ("Sante") (note (x))	2024	23.44%	29,598	14,327	(31)	(15,271)	9.72%
	2023	23.44%	29,598	43,680	10,781	14,082	21.51%
Luduson G Inc. ("Luduson") (note (xi))	2024	1.82%	32,000	400	2,751	(31,600)	0.27%
	2023	2.04%	32,000	17,040	929	(14,960)	8.39%
GSG Group Inc. ("GSGG") (note (xii))	2024	14.43%	9,700	7,936	(174)	(1,764)	5.38%
	2023	–	–	–	–	–	–
Unlisted equity securities							
LNPR Group Inc. ("LNPR") (note (xiii))	2024	5.18%	24,227	19,576	(51)	(4,651)	13.28%
	2023	7.02%	24,445	20,105	305	(4,340)	9.9%

* Less than 0.01%

Dividend income of approximately HK\$254,000 (2023: HK\$697,000) (note 5) was recognised in profit or loss during the year ended 31 December 2024.

Except for investment in LNPR, Luduson, Readen, GSGG and Sante are held by subsidiaries of the Company, all of the above investments are directly held by the Company.

The Group held financial assets at FVTPL of approximately HK\$115,713,000 (2023: HK\$172,306,000), representing approximately 78.47% of the Group's total assets (2023: 84.87%).

Notes:

- (i) Tencent Holdings Limited, incorporated in the Cayman Islands, is principally engaged in the provision of value-added service, FinTech and business services and online advertising services.
- (ii) Alibaba Group Holding Limited, incorporated in the Cayman Islands, provides the technology infrastructure and marketing platforms.
- (iii) BYD Company Limited (“BYD”), established in the People’s Republic of China (the “PRC”), principally engaged in the manufacture and sales of transportation equipment. BYD is also engaged in the manufacture and sales of electronic parts and components and electronic devices for daily use.
- (iv) CMOG Group Limited, established in the PRC, is mainly engaged in the mining, smelting, processing and trading of molybdenum, tungsten, copper and other metals.
- (v) Semiconductor Manufacturing International Corporation, incorporated in the Cayman Islands, primarily engaged in the manufacture and testing of semiconductor integrated circuit wafers.
- (vi) Xiaomi Corporation, incorporated in the Cayman Islands, is a China-based company principally engaged in the research, development and sales of smartphones, Internet of things and lifestyle products, the provision of Internet services, and investment business.
- (vii) Midea Group Co., Ltd., established in the PRC, is a China-based company principally engaged in the manufacture and distribution of household electronics.
- (viii) Readen, incorporated in the U.S., is a venture capital corporation which is active in the Fintech, online payment and E-commerce industries.
- (ix) Winchester, incorporated in the U.S., is manufacturing of cars in South Africa.
- (x) Sante, incorporated in the U.S., specialises in assisting Asian entrepreneurs and high value startups access the U.S. capital market through services like reverse takeovers and public listings as well as serving as a “Company Doctor” to clients already listed on Over-the-counter and NASDAQ markets. The Directors consider no practical ability to exercise significant influence to the relevant activities of Sante and classified as financial assets at FVTPL.
- (xi) Luduson, incorporated in the U.S., principally engages in the business of building and fostering relationships between leading influencers and brands.

- (xii) GSGG, incorporated in the U.S., is originally a development-stage company focused on investment consultancy for real estate in Asia, has recently expanded into the medical devices industry.
- (xiii) LNPR, incorporated in the U.S., which is principally engaged in online education business. According to the management of LNPR, they are seeking listing on NASDAQ in the U.S. and already submitted the application to the authority in the U.S.

As at 31 December 2024 and 2023, no trading securities of the Group were pledged to a securities broker to secure margin loan borrowed by the Group.

13. FINANCIAL ASSET AT FVTOCI

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted equity investments designated at financial asset at FVTOCI	<u>28,865</u>	<u>22,241</u>

On 7 December 2018, the Group had subscribed 20% equity interest in an Anguilla incorporated private entity, Perfect Path, which is engaged in gold mining business at a consideration of HK\$18,500,000.

Despite the Group holds 20% of the voting power in Perfect Path, however, under contractual arrangements, the other shareholders control the composition of the board of directors of Perfect Path and have control over Perfect Path. The directors of the Company consider that the Group does not have significant influence over Perfect Path, and it is therefore the unlisted equity investments are designated at financial asset at FVTOCI.

As at 31 December 2024, the fair value of the equity investments was approximately HK\$28,865,000 (2023: HK\$22,241,000), representing approximately 19.58% of the total assets of the Group as at 31 December 2024 (2023: 10.95%).

As mentioned above, the Group neither has control nor significant influence over Perfect Path and therefore in assessing the fair value of Perfect Path at the end of each reporting period, the Group would take into account the investment strategy of the controlling shareholders of Perfect Path as well as the determination of the valuation techniques thereon.

Having carefully considered the uncertainties over the economic and the operating environment where the gold mine of Perfect Path locates and operates, the shareholders of Perfect Path had reached the consensus, to proactively approach potential buyer in realising the investment of the gold mine development so benefited by the increasing of gold price these years so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties.

Market approach was used for valuation of the investments in Perfect Path. The inputs into the valuation model as at 31 December 2024 and 2023 were as follows:

Perfect Path	2024	2023
Subscription date	7 December 2018	7 December 2018
Total number of shares held	200,000	200,000
Subscription price	HK\$18,500,000	HK\$18,500,000
Proportion of investee's capital owned	20%	20%
Dividend income received during the year	–	–
Net assets attributable to the investment	HK\$35,460,000	HK\$27,801,000
Fair value gain/(loss) recognised during the year	HK\$6,624,000	(HK\$2,662,000)
Discount of lack of control	18.6%	20%
Gold resources contained	8.6 ton	8.6 ton
% of premium in gold price	6.7%	6.5%
Valuation methodology	Market Approach	Market Approach
Fair value performed by	Access Partner Professional Services Limited	Access Partner Professional Services Limited

14. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each, at 1 January 2023, 31 December 2023 and 1 January 2024	10,000,000,000	1,000,000
Capital reorganisation (<i>note (ii)</i>)	90,000,000,000	–
	<u>100,000,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.1 each at 1 January 2023	518,006,664	51,801
Issue of shares on placement (<i>note (i)</i>)	86,334,444	8,633
	<u>604,341,108</u>	<u>60,434</u>
Ordinary shares of HK\$0.1 each at 31 December 2023 and 1 January 2024	604,341,108	60,434
Issue of shares on placement (<i>note (iii)</i>)	103,601,332	10,360
Share consolidation (<i>note (ii)</i>)	(637,148,196)	(70,086)
Issue of shares on placement (<i>note (iv)</i>)	14,158,848	142
	<u>84,953,092</u>	<u>850</u>
Ordinary shares of HK\$0.01 each at 31 December 2024	<u>84,953,092</u>	<u>850</u>

Notes:

- (i) On 26 June 2023, the Company and a placing agent entered into a placing agreement in respect of the placement of 86,334,444 ordinary shares of HK\$0.1 each at a price of HK\$0.200 per share under general mandate, to not less than six placees who are independent third parties to the Group (the “**Placement A**”). The Placement A was completed on 14 July 2023.

The net proceeds from the Placement A amounted to approximately HK\$17,102,000, after deducting expense of approximately HK\$165,000. Approximately HK\$8,633,000 and HK\$8,469,000 were credited to share capital and share premium respectively upon the issue of the new shares.

- (ii) On 30 April 2024, the Company announced to implement the capital reorganisation (the “**Capital Reorganisation**”) involving:
- (a) the share consolidation whereby every ten (10) issued and unissued shares of the Company at par value of HK\$0.1 each will be consolidated into one (1) consolidated share at par value of HK\$1.0 each;
- (b) immediately following the share consolidation, the capital reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of consolidated shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a consolidated share in the issued share capital of the Company; and (b) cancelling the paid up capital of the Company to the extent of HK\$0.99 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK\$1.00 to HK\$0.01;
- (c) immediately following the share reduction, the sub-division, whereby each authorised shares be subdivided into one hundred (100) authorised new shares at par value HK\$0.01 each so that immediately following the Capital Reorganisation; and
- (d) immediately following the capital reduction and sub-division, the share premium of the Company will be applied to be reduced to nil, while the balance will be transferred to the contributed surplus of the Company within the meaning of the Companies Act.

The Capital Reorganisation was resolved by the shareholders of the Company on 27 June 2024 and become effective on 2 July 2024. Details are set out in the announcements of the Company dated 30 April 2024 and 2 July 2024 and the circular of the Company dated 31 May 2024.

Immediately after the Capital Reorganisation, (i) share capital of approximately HK\$70,086,000; (ii) share premium of approximately HK\$71,393,000 (after debiting the cost directly attributable to the Capital Reorganisation of approximately HK\$418,000); and (iii) accumulated losses of the Company of approximately HK\$44,145,000 at 2 July 2024, being the effective date of the Capital Reorganisation, has been transferred to the contributed surplus of the Company, with credit of the contributed surplus of approximately HK\$97,334,000. The cost directly attributable to the Capital Reorganisation of approximately HK\$418,000 has been debited to share premium of the Company.

- (iii) On 13 May 2024, the Company and a placing agent entered into a placing agreement in respect of the placement of 103,601,332 ordinary shares of HK\$0.1 each to independent investors at a price of HK\$0.1 per share (the “**Placement B**”). The Placement B was completed on 24 May 2024.

The net proceeds from the Placement B amounted to approximately HK\$10,248,000, after deducting expense of approximately HK\$112,000. Approximately HK\$10,360,000 was credited to share capital and approximately HK\$112,000 was debited to the share premium upon the issue of the new shares.

- (iv) On 23 August 2024, the Company and a placing agent entered into a placing agreement in respect of the placement of 14,158,848 ordinary shares of HK\$0.1 each to independent investors at a price of HK\$0.3 per share (the “**Placement C**”). The Placement C was completed on 11 September 2024.

The net proceeds from the Placement C amounted to approximately HK\$4,174,000 after deducting expense of approximately HK\$74,000. Approximately HK\$142,000 and HK\$4,032,000 were credited to share capital and share premium respectively upon the issue of the new shares.

15. EVENTS AFTER THE REPORTING PERIOD

On 6 January 2025, the Board approved the grant of 4,316,722 share options to certain eligible participants (the “**Grantees**”), subject to the acceptance of the Grantees, to subscribe for a total of 4,316,722 ordinary shares of the Company of HK\$0.01 each. Details of the grant of share options are set out in the Company’s announcement dated 6 January 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue for the Reporting Period comprised dividend income, interest earned from bank deposits. For the year ended 31 December 2024, the Group recorded a revenue of approximately HK\$254,000 as compared to approximately HK\$1,399,000 in the prior year, representing a decrease of approximately 81.8%. The decrease in revenue was mainly due to decrease of interest income during the Reporting Period. Gross proceeds from disposals of trading securities for the Reporting Period was recorded of approximately HK\$49,114,000 as compared to approximately HK\$62,032,000 for the year ended 31 December 2023. The Group recorded a realised gain of approximately HK\$6,673,000 (2023: HK\$251,000) and fair value loss of approximately HK\$78,891,000 (2023: gain of HK\$54,869,000) on listed securities held by the Group during the Reporting Period. The turnaround from fair value gain to loss in listed securities held by the Group was mainly attributable to poor performance of the listed securities in the US holding by the Group. During the Reporting Period, no impairment loss of deposits and other receivables were recognised (2023: nil). With the unfavourable performance of certain publicly traded securities held by the Group and fair value loss of certain unlisted securities during the Reporting Period, the Group recorded loss attributable to owners of the Company was approximately HK\$76,810,000 as compared to a gain of approximately HK\$53,505,000 in prior year.

As at 31 December 2024, the Group's unlisted investments (comprised of financial assets at FVTPL and financial assets at FVTOCI) were approximately HK\$48,441,000 (2023: HK\$42,346,000). Other receivables, deposits and prepayments was approximately HK\$216,000 (2023: HK\$338,000).

As at 31 December 2024, the net assets of the Group were approximately HK\$130,064,000 (2023: HK\$186,246,000). The net assets decreased by 30.2% when compared to prior year. The financial assets at FVTPL decreased from approximately HK\$172,306,000 as at 31 December 2023 to approximately HK\$115,713,000 as at 31 December 2024 and the financial assets at FVTOCI of approximately HK\$28,865,000 (2023: HK\$22,241,000) was as at 31 December 2024.

Liquidity, financial resources and capital structure

As at 31 December 2024, the Group had available funds of approximately HK\$2,662,000 which were mainly placed in banks and licensed securities firms as general working capital. Bank balances and cash balance in licensed securities firms held by the Group were mainly denominated in Hong Kong dollars.

The Group had shareholders' funds of approximately HK\$130,064,000 at 31 December 2024 compared to HK\$186,246,000 at 31 December 2023, representing a decrease of approximately 30.2%.

As at 31 December 2024, the Group had borrowings of approximately HK\$13,939,000 (2023: HK\$14,335,000). The gearing ratio for the Group was 10.7% (2023: 7.7%) which represents the ratio of the Group's borrowings to the net asset value of the Group.

The Group did not have any capital expenditure commitment as at 31 December 2024.

During the Reporting Period, no share option was granted, exercised, lapsed or cancelled under the share option scheme, adopted by the Company at annual general meeting on 17 June 2022.

Fund raising activity

Save as the placing of new shares as disclosed in note 14 and under the heading of “Placing of New Shares” below, there was no significant change in the Group’s capital structure for the Reporting Period.

Placing of New Shares

Reference is made to the announcements of the Company dated 13 May 2024 and 24 May 2024 (the “**Placing Announcements A**”) in relation to, amongst others, the placing (the “**Placing A**”) under general mandate granted to the Directors at the annual general meeting held on 30 June 2023. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Placing Announcements A.

After trading hours on 13 May 2024, the Company and Sorrento Securities Limited (the “**Placing Agent A**”) entered into the placing agreement (the “**Placing Agreement A**”) pursuant to which the Company has appointed the Placing Agent A to procure, on a best efforts basis, places to subscribe for up to 103,601,332 new shares at a price of HK\$0.100 per placing share. The closing price per share of the Company as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 May 2024, the date of the Placing Agreement A, was HK\$0.103. The gross proceeds from the Placing A were approximately HK\$10.4 million and the net proceeds were approximately HK\$10.2 million. It was intended that the net proceeds from the Placing A would be utilised for investment in the listed and/or unlisted securities in the aggregate amount of approximately HK\$6.7 million, repayment of short term loan and payment of interest in the aggregate amount of approximately HK\$2.0 million and the remaining balance would be used as the Group’s general working capital.

Details of the Placing A and Placing Agreement A were set out in the Placing Announcements A.

As at 31 December 2024, detailed breakdown and description of the utilisation of the net proceeds from the Placing A were as follows:

Date of announcement	Event	Net proceed raised	Intended use of net proceeds	Actual use of proceeds
13 May 2024 (completed on 24 May 2024)	Placing new shares under general mandate	Approximately HK\$10.2 million	(i) Approximately HK\$6.7 million for the investment in listed and/or unlisted securities	(i) Approximately HK\$6.7 million was used to invest in listed securities
			(ii) Approximately HK\$2.0 million for repayment of short term loan and payment of interest	(ii) Approximately HK\$2.0 million was used to repay short term loan and/or payment of interest
			(iii) Approximately HK\$1.5 million for general working capital of the Group	(iii) Approximately HK\$1.5 million was used for operating expenses

Reference is made to the announcements of the Company dated 23 August 2024 and 11 September 2024, (the “**Placing Announcements B**”) in relation to, amongst others, the placing (the “**Placing B**”) under general mandate granted to the Directors at the annual general meeting held on 27 June 2024. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Placing Announcements B.

After trading hours on 23 August 2024, the Company and SFGHK Limited (the “**Placing Agent B**”) entered into the placing agreement (the “**Placing Agreement B**”) pursuant to which the Company has appointed the Placing Agent B to procure, on a best efforts basis, places to subscribe for up to 14,158,848 new shares at a price of HK\$0.300 per placing share. The closing price per share of the Company as quoted on the Stock Exchange on 23 August 2024, the date of the Placing Agreement B, was HK\$0.325. The gross proceeds from the Placing B were approximately HK\$4.3 million and the net proceeds were approximately HK\$4.2 million. It was intended that the net proceeds from the Placing B would be utilised for investment in the listed and/or unlisted securities in the aggregate amount of approximately HK\$3.7 million and the remaining balance would be used as the Group’s general working capital.

Details of the Placing A and Placing Agreement A were set out in the Placing Announcements B.

As at 31 December 2024, detailed breakdown and description of the utilisation of the net proceeds from the Placing B were as follows:

Date of announcement	Event	Net proceed raised	Intended use of net proceeds	Actual use of proceeds and expected timeline for fully utilizing the unutilising amount
23 August 2024 (completed on 11 September 2024)	Placing new shares under general mandate	Approximately HK\$4.2 million	(i) Approximately HK\$3.7 million for the investment in listed and unlisted securities	(i) Approximately HK\$3.7 million was used to invest in listed securities
			(ii) Approximately HK\$0.5 million for general working capital of the Group	(ii) Approximately HK\$0.5 million was used for operating expense

CAPITAL REORGANISATION

On 30 April 2024, the Company announced to implement the capital reorganisation involving:

- (i) the Share Consolidation whereby every ten (10) issued and unissued Existing Shares of par value of HK\$0.1 each will be consolidated into one (1) Consolidated Share of par value of HK\$1.0 each;
- (ii) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (b) eliminating the paid up capital of the Company to the extent of HK\$0.99 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share would be reduced from HK\$1.00 to HK\$0.01;
- (iii) immediately following the Share Consolidation becoming effective, the Sub-division, whereby each authorised but unissued Consolidated Shares (including the authorized unissued Consolidated Shares arising from the Capital Reduction) be subdivided into one hundred (100) authorised but unissued New Shares of par value HK\$0.01 each so that immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK\$1,000,000,000 divided into 100,000,000,000 New Shares;
- (iv) immediately following the Capital Reduction and Sub-division becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account would be reduced to nil; and

- (v) upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium Reduction would be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

The Capital Reorganisation had become effective on 2 July 2024. Details of the above were set out in the announcements of the Company dated 30 April 2024 and 2 July 2024 and the circular of the Company dated 31 May 2024.

INVESTMENT REVIEW

The Company is an investment company listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Chapter 21 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange. The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments with potential for earning growth and capital appreciation. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the shareholders’ value.

The Company held eighteen investments as of 31 December 2024, comprising sixteen equity securities listed in Hong Kong and the US, one item of interests in a private entity in Anguilla and one item of interests in a private entity in the U.S.. Pursuant to the requirements stipulated in Rule 21.12 of the Listing Rules, the Company discloses its ten largest investments and all individual investments with value exceeding 5% of the Company’s gross assets with brief description of the investee companies are provided in the notes 12 to 13 and the section under “significant investments held and their performance” below.

Significant investments held and their performance

Details of the performance of the significant investments held by the Group as at 31 December 2024 were disclosed under the heading of “Financial Review” above and in notes 12 to 13.

The ten largest investments and all individual investments with value exceeding 5% of the Company’s gross assets as at 31 December 2024 with brief description of the investee companies as follows and as disclosed in notes 12 to 13:

Private Equity Investment – Perfect Path Limited (“Perfect Path”)

Perfect Path is a private entity incorporated in Anguilla, which principally engaged in gold mining business. The Group held 20% of equity interest of Perfect Path, despite the Group held 20% of the voting power in Perfect Path, however, under contractual arrangements the Group has no significant influence over Perfect Path, another single shareholder control the composition of the board of directors and have control over Perfect Path. Perfect Path indirectly owns 45% interest in a gold mine in Thailand (the “**Gold Mine**”). According to Perfect Path, all relevant application documents for obtaining the Gold Mine licences and permits were submitted to the relevant local government authorities in Thailand, as the relevant application is still in process, Perfect Path not deployed their business and no income generated during the year ended 31 December 2024. After having taken into account all relevant economic factors, gold price and vigilantly verified it with Perfect Path, the shareholders of Perfect Path had reached the consensus, to proactively approach potential buyer in realising the investment of the gold mine development so benefited by the increasing of gold price these years so that alternative investment opportunities can be identified to reduce investment risk due to uncertainties.

Private Equity Investment – LNPR Group Inc. (“LNPR”)

LNPR is a private entity incorporated in the US, which is principally engaged in development of a “Pure Play” renewable/alternative/distributed energy technology solutions and wastes to resources and energy platforms. The Group held 5.23% equity interest of LNPR. According to LNPR, they are seeking listing on Nasdaq and already submitted the application to the authority in the US. The Board was of the view that having equity interest in LNPR is benefit from listing on OTC market successfully.

Listed Equity Investment – Tencent (Holdings) Limited (“Tencent”)

Tencent is a company incorporated in the Cayman Islands (stock code: 700). Tencent is principally engaged in the provision of value-added services, financial technology and business services and online advertising services. Based on the latest published quarterly report for the nine months ended 30 September 2024 of Tencent, the net profit for the period was approximately RMB145,000 million comparing with the net profit for the same period last year was approximately RMB90,198 million. The increase of net profit of Tencent was mainly due to the increase in gross profit. Net dividend (after expenses) approximately HK\$58,000 was received from Tencent during the year ended 31 December 2024 (31 December 2023: HK\$0.6 million). The Board believed the leading position of Tencent in the market can make them to enjoy the prosperity of internet industry, the Group treats the investment in Tencent as the long term.

Listed Equity Investment – Winchester Holding Limited (“Winchester”)

Winchester is a company incorporated in the US (OTC Pink: WCHS) which is listing on OTC market in the US. Winchester is manufacturing of cars in South Africa for production. Based on the latest unaudited financial statements for the six months ended 30 June 2024, the net loss was approximately US\$26,000. The net assets of Winchester as at 30 June 2024 was approximately US\$422,000. No dividend was received from Winchester during the year ended 31 December 2024 (31 December 2023: nil). The Group would hold the investment in Winchester and closely monitor its performance and may adjust the portfolio of Winchester from time to time.

Listed Equity Investment – Alibaba Group Holding Limited (“Alibaba”)

Alibaba is a company incorporated in the Cayman Islands (stock code: 9988). Alibaba is principally engaged in online retail platform, cloud computing, digital media and entertainment. Based on the latest published interim report for the six months ended 30 September 2024 of Alibaba, the net income for the period was approximately RMB67,569 million comparing with the net loss for the corresponding period was approximately RMB59,696 million. Net dividend (after expenses) approximately HK\$101,000 was received from Alibaba during the Reporting Period (2023: nil). The Board believed the leading position of Alibaba in the market can make them to enjoy the prosperity of internet industry, the Group would hold the investment in Alibaba and closely monitor its performance and may adjust the portfolio of Alibaba from time to time.

Listed Equity Investment – Readen Holding Corporation (“RHCO”)

RHCO is a company incorporated in the US (OTC Pink: RHCO) which is listing on OTC market in the US. RHCO is a venture capital corporation which is active in the Fintech, Online Payment and E-commerce industries. RHCO has growth engines which are projected to have significant growth on the revenue in coming years as the business becomes mature. Based on the latest unaudited financial statements for the six months ended 31 December 2024, the net income was approximately US\$0.7 million. The total stockholders’ equity of RHCO as at 31 December 2024 was approximately US\$9.2 million. No dividend was received from RHCO during the Reporting Period (2023: nil). The Board expects RHCO has growth engines making positive to its financial performance. The Group would closely monitor its performance and may adjust the portfolio of RHCO timely.

Listed Equity Investment – Sante Technology Holdings Inc. (“SNTE”)

SNTE is a company incorporated in the US (OTC Pink: SNTE) which is listing on OTC market in the US which intend to acquire and merger potential AI technology related companies by offering the a unique platform with technology function, marketing function, finance function and resources integration function. No dividend was received from SNTE during the year ended 31 December 2024 (31 December 2023: N/A). The Board believed artificial intelligence business is a future trend.

Listed Equity Investment – Semiconductor Manufacturing International Corporation (“SMIC”)

SMIC is a company incorporated in the Cayman Islands (stock code: 981). SMIC is principally engaged in the different business activities, such as the computer-aided design, sales and marketing, technical research and development, manufacturing, testing, packaging and trading of integrated circuits and other services, as well as designing and manufacturing semiconductor masks, respectively. Based on the latest published interim results for the six months ended 30 June 2024 of SMIC, the revenue for the period was approximately US\$3,651.5 million comparing with the revenue for the same period last year was approximately US\$3,022.7 million, the profit for the period was US\$235.8 million comparing with the profit for the same period last year was approximately US\$731.3 million. No dividend was received from SMIC during the Reporting Period (2023: nil). The Board believed the leading position of SMIC in the market can make them to enjoy the growth of customer demand, the Group would hold the investment in SMIC and closely monitor its performance and may adjust the portfolio of SMIC from time to time.

Listed Equity Investment – Xiaomi Corporation (“Xiaomi”)

Xiaomi is a China-based investment holding company principally engaged in the research, development and sales of smartphones, Internet of things (IoTs) and lifestyle products, the provision of Internet services, and investment business. Xiaomi mainly conducts its businesses through four segments. The Smartphone segment is engaged in the sales of smartphones. The IoT and Lifestyle product segment is engaged in the sales of other in-house products, including smart televisions (TVs), laptops, artificial intelligence (AI) speakers and smart routers; ecosystem products, including IoT and other smart hardware products, as well as certain lifestyle products. The Internet service segment is engaged in the provision of advertising services and Internet value-added services. The Others segment is engaged in the provision of repair services for its hardware products. Xiaomi distributes its products in domestic market and to overseas markets. Based on the latest published quarterly results for the nine months ended 30 September 2024 of Xiaomi, the revenue for the period was approximately RMB256,901.2 million comparing with the revenue for the same period last year was approximately RMB197,726.5 million, the profit for the period was RMB14,583.2 million comparing with the profit for the same period last year was approximately RMB12,750.7 million. No dividend was received from Xiamoi during the Reporting Period (2023: N/A). The Group would hold the investment in Xiaomi and closely monitor its performance and may adjust the portfolio of Xiaomi from time to time.

Listed Equity Investment – GSG Group Inc. (“GSGG”)

GSGG is a company incorporated in the US (OTC: GSGG) which is listing on OTC market in the US, which is originally a development-stage company focused on investment consultancy for real estate in Asia, has recently expanded into the medical devices industry. Based on the acquisition of the Prejex needle free injection project, GSG Group Inc. is working to enter the global markets with its Prejex specialty drug delivery systems. These devices have been designed to provide painless, needlefree injections for safe and effective self-administration of a multitude of medicines and due to recent developments they plan their first roll-outs for the US market. No dividend was received from GSGG during the Reporting Period (2023: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed a total of 5 employees (2023: 2 employees), including the executive Directors. Employees’ remuneration are fixed and determined with reference to the market remuneration.

The remuneration policy of the Company for non-executive Directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company and that for the employees, including the executive Directors and senior management, is to ensure that the remuneration offered is appropriate for the duties and in line with market practice. The remuneration policy is to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. No Director, or any of his associates, or executive is involved in deciding his own remuneration.

The key components of the Company's remuneration package include basic salary plus other allowances, discretionary cash bonus and mandatory provident fund. As a long-term incentive plan and with the aim at motivating employees in the continued pursuit of the Company's goal and objectives, the Company may grant share options to subscribe for shares of the Company to the employees (including Directors) of the Company based on their performance and contribution to the Company under the Company's share option scheme (if any).

EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not employ any financial instruments to hedge such exposures.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no significant contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2024, no asset was pledge by the Group (2023: nil).

MAJOR ACQUISITIONS AND DISPOSALS

The Group did not have any major acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2024.

CAPITAL COMMITMENTS

The Company have no capital commitments as at 31 December 2024 (2023: nil).

CORPORATE GOVERNANCE

Maintaining high standards of corporate governance in everything we do.

Sound corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, protect rights of shareholders and stakeholders, and enhance shareholder value. The Company is committed to high standards of corporate governance with a view to being transparent, open and accountable to our shareholders.

The Company has adopted all the code provisions in the Corporate Governance Code (the "Code") contained in Appendix C1 of the Rules Governing the Listing of Securities of the Stock Exchange as its own code on corporate governance practices.

The Company had met the relevant code provisions set out in the Code during the Reporting Period, except the following deviations:

Code provision C.2.1 of part 2 of the Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The chief executive officer of the Company has been vacant following the resignation of Ms. Chan Carman Wing Yan on 20 June 2022. Until the appointment of new chief executive officer, the executive Directors continue to oversee the day-to-day management of the business and operations of the Group.

Code Provision C.1.6 of part 2 of the Code provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. The independent non-executive Director, Ms. Leung Yin Ting, and Ms. Chan Man Yi, the former independent non-executive Director, did not attend the annual general meeting of the Company held on 27 June 2024 due to other commitments.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the Code.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board recognises its responsibility to ensure the Company maintains a sound and effective risk management and internal control systems. The Group's risk management and internal control systems are designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. Review of the Group's risk management and internal controls covering major financial, operational and compliance controls, as well as risk management functions. The risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has not established an internal audit, but has engaged an external professional consultant to perform the work of internal audit function and during the Reporting Period, the external professional consultant had reviewed and assessed the Group's risk management and internal control systems (the "**Systems**") and reported to the Audit Committee (the "**Review**"). The Review would identify the risks associated with the business of the Group by considering both internal and external factors and events which may include politics, economy, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;

- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;
- Risk transfer: transfer ownership and liability to a third party.

Audit Committee has reviewed and discussed the Systems with the management annually to ensure that the management has performed its duty to have effective Systems.

The external consultant, has conducted a review of the effectiveness of the Group's Systems for the year ended 31 December 2024 and made recommendations to improve the effectiveness of the Group's Systems. After the Review, the management provided an action plan so as to mitigate those identified deficiencies in a timely manner. All internal control findings would be followed up closely to ensure that the action plan is implemented accordingly.

During the Reporting Period, the Board was satisfied that the current internal control systems of the Company are effective and adequate and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under D.2.1 to D.2.7 and D.3.3 of the Code relating to risk management and internal control.

In addition to the Review, undertaken by the external professional consultants, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

The Board has received a confirmation from the management of the Company on the effectiveness of the risk management and internal control system.

To facilitate the management and standardisation of internal operation, the Company has regulations in place that specify the responsibilities and scopes of anti-corruption works. Anti-corruption policy has been adopted and all employees of the Group have been required to strictly abide them. To encourage employees to report the improprieties they found or suspected, the Company has established appropriate whistleblowing procedures pursuant to its whistleblowing policy so as to provide a secure and fully confidential environment for employees to report the improprieties that they genuinely concerned.

DIVIDENDS

The board of directors (the "**Board**") does not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

EVENTS AFTER THE REPORTING DATE

Details of significant events occurring after the reporting date are set out in note 15.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company did not redeem any of its listed shares during the Reporting Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors for the Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all the Directors confirmed that in respect of the year ended 31 December 2024, they have complied with the required standard set out in the Model Code.

The Company has also established written guidelines regarding securities transactions on no less exacting terms of the Model Code for specific individual who may have access to inside information in relation to the securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting to be held on 27 June 2025, the register of members of the Company will be closed from 24 June 2025 to 27 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the aforementioned meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 23 June 2025.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company's is composed of three independent non-executive Directors, namely, Dr. Wong Sze Lok (Chairman), Ms. Lin Hsiu Mei and Ms. Leung Yin Ting. It reports directly to the Board and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditor, to discuss audit process and accounting issues, and reviews effectiveness of internal controls and risk evaluation. Written terms of reference, which describes the authority and duties of the Audit Committee are regularly reviewed and updated by the Board. The terms of reference is available on the Company's website and the website of the Stock Exchange.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including review and approval of the annual results for the year ended 31 December 2024.

SCOPE OF WORK OF EXTERNAL AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on this announcement.

By order of the Board
Cocoon Holdings Limited
中國天弓控股有限公司
Chau Wai Hing
Chairman

Hong Kong, 31 March 2025

As at the date hereof, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Leung Yin Ting, Mr. Wong Sze Lok and Ms. Lin Hsiu Mei.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.