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PROSPEROUS FUTURE HOLDINGS LIMITED

未來發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1259)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

**FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER
2024:**

Revenue from the continuing operations decreased by about 1.7% from approximately HK\$517.4 million of the same period in 2023 to approximately HK\$508.5 million.

Gross profit from the continuing operations increased by about 10.5% over the same period in 2023 to approximately HK\$130.5 million.

Gross profit margin from the continuing operations increased by around 2.9% over the same period in 2023 to approximately 25.7%.

Loss attributable to equity holders of the Company for the year amounted to approximately HK\$53.7 million, as compared to loss attributable to equity holders of the Company amounted to approximately HK\$38.7 million over the same period in 2023.

Basic loss per share attributable to equity holders of the Company amounted to approximately HK2.42 cents, as compared to basic loss per share attributable to equity holders of the Company amounted to approximately HK1.70 cents over the same period in 2023.

The board (the “**Board**”) of directors (the “**Directors**”) of Prosperous Future Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations			
Revenue	5	508,478	517,429
Cost of sales		<u>(377,934)</u>	<u>(399,278)</u>
Gross profit		130,544	118,151
Other income and gains	6	16,357	11,982
Loss on change in fair value of investment properties		(9,700)	(1,550)
Selling and distribution expenses		(41,127)	(37,811)
Administrative expenses		(134,800)	(106,491)
Other expenses	7	(12,454)	(14,436)
Finance costs	8	(682)	(828)
Share of profits of associates		673	–
Loss before tax	9	(51,189)	(30,983)
Income tax expense	10	(5,197)	(4,067)
Loss for the year from continuing operations		<u>(56,386)</u>	<u>(35,050)</u>
Discontinued operations			
Profit for the year from discontinued operations	11	–	573
Loss for the year		<u>(56,386)</u>	<u>(34,477)</u>
Loss for the year attributable to equity holders of the Company		(53,728)	(38,748)
(Loss)/profit for the year attributable to non-controlling interests		<u>(2,658)</u>	4,271
Loss for the year		<u>(56,386)</u>	<u>(34,477)</u>

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Other comprehensive income			
Item that will not be reclassified to profit or loss in subsequent periods:			
Gain on change in fair value of financial assets at fair value through other comprehensive income		<u>152,613</u>	<u>13,404</u>
Total other comprehensive income for the year		<u>152,613</u>	<u>13,404</u>
Total comprehensive income/(expense) for the year		<u>96,227</u>	<u>(21,073)</u>
Total comprehensive income/(expense) for the year attributable to equity holders of the Company		98,885	(25,344)
Total comprehensive (expense)/income for the year attributable to non-controlling interests		<u>(2,658)</u>	<u>4,271</u>
Total comprehensive income/(expense) for the year		<u>96,227</u>	<u>(21,073)</u>
		2024 HK cents	2023 HK cents
Loss per share from continuing and discontinued operations			
Basic	<i>13</i>	<u>(2.42)</u>	<u>(1.70)</u>
Diluted		<u>(2.42)</u>	<u>(1.70)</u>
		2024 HK cents	2023 HK cents
Loss per share from continuing operations			
Basic	<i>13</i>	<u>(2.42)</u>	<u>(1.52)</u>
Diluted		<u>(2.42)</u>	<u>(1.52)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		1,482	2,944
Right-of-use assets		6,314	13,061
Investment properties		41,000	50,700
Properties for development		–	62,000
Goodwill		40,781	40,781
Interests in associates		7,693	–
Financial assets at fair value through other comprehensive income		183,494	30,882
Deferred tax assets		874	2,488
Prepayments, deposits and other receivables		57,675	33,723
		<u>339,313</u>	<u>236,579</u>
CURRENT ASSETS			
Inventories		37,568	42,704
Loan and interest receivables	<i>14</i>	–	–
Trade receivables	<i>15</i>	69,957	81,666
Prepayments, deposits and other receivables		25,277	42,165
Contract assets		–	751
Cash held on behalf of clients		223,522	48,617
Cash and bank balances		389,388	358,310
		<u>745,712</u>	<u>574,213</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
CURRENT LIABILITIES			
Trade payables	<i>16</i>	335,483	123,327
Other payables and accruals		38,638	30,489
Bank borrowings		–	6,862
Amounts due to non-controlling interests		–	1,083
Lease liabilities		6,848	7,698
Income tax payable		4,040	1,272
		<u>385,009</u>	<u>170,731</u>
NET CURRENT ASSETS		<u>360,703</u>	<u>403,482</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>700,016</u>	<u>640,061</u>
NON-CURRENT LIABILITIES			
Lease liabilities		3,064	6,334
Deferred tax liabilities		–	44
		<u>3,064</u>	<u>6,378</u>
NET ASSETS		<u>696,952</u>	<u>633,683</u>
EQUITY			
Share capital		22,034	22,741
Reserves		672,721	576,826
Equity attributable to equity holders of the Company		694,755	599,567
Non-controlling interests		2,197	34,116
TOTAL EQUITY		<u>696,952</u>	<u>633,683</u>

NOTES:

1. GENERAL INFORMATION

Prosperous Future Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is located at 17/F., EC Healthcare Tower (Central), Nos. 19-20 Connaught Road Central, Central, Hong Kong.

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in the provision of food and beverage services, provision of financial business, properties holding and investment holding.

During the year ended 31 December 2023, the Group discontinued its operation in temperature-controlled storage services and ancillary services (the “**Discontinued Operations**”). Details are set out in note 11.

On 20 November 2024, the Group has disposed the 100% equity interest of Apex Magic International Limited and its subsidiaries (together “**Apex Group**”), which was wholly-owned subsidiary of the Group and the sales loan of a total sum of approximately HK\$294,000 at the consideration of HK\$27,000,000.

After the disposal of the shares of Apex Group, the Group no longer holds any shares in Apex Group. The disposal of the shares is accounted for disposal of subsidiaries.

Other than the aforementioned transactions, there was no other significant change in the Group’s operations during the year ended 31 December 2024.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS ACCOUNTING STANDARDS”)

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standard Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to 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

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

2.1 Impacts on application of Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to IAS 7 *Statement of Cash Flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows.

In addition, IFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by IAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture ¹
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
IFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

3.2 Going concern assessment

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 “Share-based Payment”, leasing transactions that are within the scope of IFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 “Inventories” or value in use in IAS 36 “Impairment of Assets”.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety) at the end of each reporting period.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following operating segments based on their products and services:

Continuing operations

- (a) Food and beverage – sale of frozen food and beverage products
- (b) Financial business – (i) provision of professional services, such as fund setup and administration, consultancy and co-ordination, corporate and accounting services, data analysis, provision of services regarding dealing in securities and futures contracts, advising on securities and asset management services; (ii) securities investments ; and (iii) money lending and provision of credit card services to individuals or corporation
- (c) Properties holding

Discontinued operations

- (a) Others – provision of temperature-controlled storage and ancillary services which provide storage services for frozen food and beverage products

During the year ended 31 December 2023, the Group disposed the interest in certain subsidiaries that were considered by the management as separate major line of business of the Group. Accordingly, entire temperature-controlled storage services and ancillary services segment were accounted for as discontinued operations. Details about these discontinued operations are set out in note 11.

The Group's management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income derived from bank deposits, gain on disposal of subsidiaries, other unallocated income and gain, finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude unallocated property, plant and equipment, right-of-use assets, prepayments, deposits and other receivables and cash and bank balances as these assets are managed on a group basis. Segment liabilities exclude unallocated other payables and accruals, lease liabilities, bank borrowings, income tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

	Food and beverage HK\$'000	Financial business HK\$'000	Properties Holding HK\$'000	Total HK\$'000
Segment revenue and segment results				
Year ended 31 December 2024				
Revenue from external customers	405,377	101,678	1,423	508,478
Inter-segment revenue	—	—	—	—
Segment revenue	<u>405,377</u>	<u>101,678</u>	<u>1,423</u>	<u>508,478</u>
Segment profit/(loss)	<u>9,928</u>	<u>(41,808)</u>	<u>(19,473)</u>	<u>(51,353)</u>
Interest income from bank deposits				6,697
Other unallocated income and gains				5,710
Gain on disposal of subsidiaries				1,874
Corporate and other unallocated expenses				(13,435)
Finance costs				<u>(682)</u>
Loss before tax from continuing operations				<u><u>(51,189)</u></u>

	Food and beverage <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Properties Holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets and segment liabilities				
As at 31 December 2024				
Segment assets	<u>128,123</u>	<u>837,132</u>	<u>42,757</u>	<u>1,008,012</u>
Goodwill				40,781
Corporate and other unallocated assets				<u>36,232</u>
Total assets				<u><u>1,085,025</u></u>
Segment liabilities	<u>17,723</u>	<u>366,076</u>	<u>297</u>	<u>384,096</u>
Corporate and other unallocated liabilities				<u>3,977</u>
Total liabilities				<u><u>388,073</u></u>
	Food and beverage <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Properties Holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue and segment results				
Year ended 31 December 2023				
Revenue from external customers	431,409	85,244	776	517,429
Inter-segment revenue	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Segment revenue	<u><u>431,409</u></u>	<u><u>85,244</u></u>	<u><u>776</u></u>	<u><u>517,429</u></u>
Segment profit/(loss)	<u>8,138</u>	<u>(22,979)</u>	<u>(9,487)</u>	<u>(24,328)</u>
Interest income from bank deposits				7,546
Other unallocated income and gains				2,369
Corporate and other unallocated expenses				(15,742)
Finance costs				<u>(828)</u>
Loss before tax from continuing operations				<u><u>(30,983)</u></u>

	Food and beverage <i>HK\$'000</i>	Financial business <i>HK\$'000</i>	Properties Holding <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets and segment liabilities				
As at 31 December 2023				
Segment assets	<u>131,296</u>	<u>410,675</u>	<u>116,163</u>	<u>658,134</u>
Goodwill				40,781
Corporate and other unallocated assets				<u>111,877</u>
Total assets				<u><u>810,792</u></u>
Segment liabilities	<u>25,077</u>	<u>145,721</u>	<u>1,536</u>	<u>172,334</u>
Corporate and other unallocated liabilities				<u>4,775</u>
Total liabilities				<u><u>177,109</u></u>

	Food and beverage HK\$'000	Financial business HK\$'000	Properties Holding HK\$'000	Total HK\$'000
Other segment information				
Year ended 31 December 2024				
Depreciation charge*	<u>764</u>	<u>7,600</u>	<u>–</u>	<u>8,364</u>
Unallocated				<u>1,272</u>
Total depreciation charge from continuing operations				<u><u>9,636</u></u>
Capital expenditure**	<u>6</u>	<u>126</u>	<u>–</u>	<u>132</u>
Unallocated				<u>–</u>
Total capital expenditure from continuing operations				<u><u>132</u></u>
Year ended 31 December 2023				
Depreciation charge*	<u>938</u>	<u>6,633</u>	<u>–</u>	<u>7,571</u>
Unallocated				<u>1,614</u>
Total depreciation charge from continuing operations				<u><u>9,185</u></u>
Capital expenditure**	<u>–</u>	<u>906</u>	<u>–</u>	<u>906</u>
Unallocated				<u>–</u>
Total capital expenditure from continuing operations				<u><u>906</u></u>

* Depreciation charge consists of depreciation of property, plant and equipment and right-of-use assets.

** Capital expenditure consists of additions to property, plant and equipment.

Geographical information

Information about the Group's revenue from external customers from continuing operations is presented based on the location of customers as detailed below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	449,514	465,331
Overseas	58,964	52,098
	<u>508,478</u>	<u>517,429</u>

Information about major customers

No individual customers of continuing operations contributing over 10% of the revenue of the Group for both of years presented.

5. REVENUE

An analysis of the Group's revenue from continuing operations by major products and services categories for the year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Income from food and beverage business	405,377	431,409
Income from provision of professional services	77,592	70,777
Income from provision of services regarding dealing in securities and futures contracts	7,269	4,373
Income from asset management and advising on securities services	7,444	7,815
Income from credit card handling charges	9,343	1,778
Revenue from contracts with customers	<u>507,025</u>	<u>516,152</u>
Interest income from money lending business	–	178
Margin interest income from securities brokerage business	30	323
Rental income from lease of investment properties	1,423	776
Revenue from other sources	<u>1,453</u>	<u>1,277</u>
Total revenue	<u>508,478</u>	<u>517,429</u>

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers from continuing operations is disaggregated by timing of revenue recognition:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Timing of revenue recognition		
Continuing operations		
At a point in time	450,617	459,888
Over time	<u>56,408</u>	<u>56,264</u>
	<u>507,025</u>	<u>516,152</u>

Income from food and beverage business represents sales of frozen food and beverage products which is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers, being when the goods have been delivered to the customers.

Income from provision of professional services mainly includes (i) services rendered for fund set up is recognised over time in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided, (ii) fund administration and consultancy services which are recognised over time based on contractual terms specified in the underlying agreements, as the customer simultaneously receives and consumes the benefit provided by the Group as the Group performs and revenue can be measured reliably and (iii) other corporate services which are recognised at a point in time when the services for the transactions are completed under the terms of each engagement, as only that time the Group has a present right to payment from the customers for the service performed.

Income from the provision of services regarding dealing in securities and futures contracts is recognised at a point in time on a trade date basis when the relevant transactions are executed.

Income from asset management and advising on securities services is recognised over time based on contractual terms specified in the underlying agreements, as the customer simultaneously receives and consumes the benefit providing by the Group performs and revenue can be measured reliably.

The Group receives handling charges from credit card transactions. Revenue is recognised at a point in time when the Group has satisfied its performance obligation in providing the promised services to the customers (i.e. completion of the transactions), and is recognised based on contractual rates agreed with customers.

6. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net foreign exchange gain	–	1,554
Interest income from bank deposits	6,697	7,546
Reversal of impairment loss on loan and interest receivables	757	1,536
Reversal of impairment loss on trade receivables arising from other business, net	1,240	982
Income from other services	5,651	–
Gain on disposal of subsidiaries	1,874	–
Dividend income from equity investments	58	–
Sundry income	80	364
	<hr/>	<hr/>
Other income and gains from continuing operations	16,357	11,982

7. OTHER EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss on properties for development	9,200	7,000
Impairment loss on trade receivables arising from margin clients	206	7,152
Impairment loss on property, plant and equipment	15	–
Impairment loss on right-of-use assets	3,033	–
Others	–	284
	<hr/>	<hr/>
Other expenses from continuing operations	12,454	14,436

8. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	2	165
Finance costs on lease liabilities	680	663
	<hr/>	<hr/>
Finance costs from continuing operations	682	828

9. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories sold	355,141	378,269
Depreciation of property, plant and equipment	1,579	1,912
Depreciation of right-of-use assets	8,057	7,273
Storage expenses	18,433	22,006
Short-term lease expenses	2,350	1,767
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	78,930	55,600
Retirement benefit scheme contributions	2,077	1,618
Total staff costs	<u>81,007</u>	<u>57,218</u>
Auditors' remuneration		
– audit services	2,288	1,933
– non-audit services	318	318
Net foreign exchange losses/(gains)	<u>1,355</u>	<u>(1,554)</u>

10. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax expense		
Hong Kong Profits Tax	3,561	4,138
Under-provision of tax in prior year	66	–
	<u>3,627</u>	<u>4,138</u>
Deferred tax expense/(credit)	<u>1,570</u>	<u>(71)</u>
Income tax expense from continuing operations	<u>5,197</u>	<u>4,067</u>

Under the two-tiered Hong Kong profits tax rates regime, the first HK\$2 million of the assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

For the years ended 31 December 2024 and 2023, Hong Kong profits tax is calculated in accordance with the two-tiered Hong Kong profits tax rates regime.

Overseas tax is calculated at the rates applicable in the respective jurisdictions.

11. DISCONTINUED OPERATIONS

The Group disposed its interest in China Cold Chain Co. Limited (“**China Cold Chain**”), on 30 April 2023. China Cold Chain was principally engaged in the provision of temperature-controlled storage services and ancillary services which provide storage services for frozen food and beverage products. After the completion date of disposal, the operations of China Cold Chain are accounted for discontinued operations.

The profit for the year ended 31 December 2023 from the discontinued operations is set out below.

	2023 <i>HK\$'000</i>
Loss on discontinued operations for the year (see below)	488
Gain on disposal of discontinued operations	<u>(1,061)</u>
	<u><u>(573)</u></u>

The results of the discontinued operations for the period from 1 January 2023 to date of discontinuation of the operations, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2023 <i>HK\$'000</i>
Revenue	
– Income from provision of temperature-controlled storage and ancillary services	1,875
Cost of sales	<u>(1,409)</u>
Gross profit	466
Administrative expenses	(771)
Other expenses	(36)
Finance costs	<u>(147)</u>
Loss before tax	(488)
Income tax expense	<u>–</u>
Loss for the year	<u><u>(488)</u></u>
	2023 <i>HK cents</i>
Loss per share from discontinued operations	
Basic and diluted	<u><u>(0.2)</u></u>

During the year ended 31 December 2023, the discontinued operations contributed approximately HK\$834,000 to the Group's net operating cash outflows, paid approximately HK\$129,000 in respect of investing activities (including net cash outflow from disposal of subsidiaries) and paid approximately HK\$1,591,000 in respect of financing activities.

12. DIVIDENDS

The directors of the Company do not recommend any payment of a dividend in respect of the year ended 31 December 2024 (2023: Nil).

13. LOSS PER SHARE

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

	Continuing and discontinued operations		Continuing operations	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss				
Loss for the purpose of basic loss per share				
Loss for the year attributable to equity holders of the Company	<u>(53,728)</u>	<u>(38,748)</u>	<u>(53,728)</u>	<u>(34,619)</u>
	2024 '000	2023 '000	2024 '000	2023 '000
Number of shares				
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>2,222,219</u>	<u>2,274,123</u>	<u>2,222,219</u>	<u>2,274,123</u>

For the years ended 31 December 2024 and 2023, basic loss per share is the same as diluted loss per share. There are no dilutive effects on the share options granted as they are anti-dilutive.

14. LOAN AND INTEREST RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loan and interest receivables		
– repayable within one year	3,204	3,991
– repayable in the second to fifth years	–	139
	<u>3,204</u>	<u>4,130</u>
Less: impairment loss recognised	<u>(3,204)</u>	<u>(4,130)</u>
	<u>–</u>	<u>–</u>

Details of loan receivables (excluding interest receivables) are as follows:

31 December 2024

Loan principal amount <i>HK\$'000</i>	Number of borrowers	Interest rate per annum	Maturity date	Security pledged
<u>3,204</u>	1	24%	Due	Nil

31 December 2023

Loan principal amount <i>HK\$'000</i>	Number of borrowers	Interest rate per annum	Maturity date	Security pledged
<u>4,070</u>	3	15.0% to 58.0%	Within one year after 31 December 2023	Nil

Loan and interest receivables thereon were to be settled by the borrowers at their respective maturity dates.

15. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables arising from provision of dealing in securities and futures contracts services		
– Clearing house, brokers and cash clients (<i>note a</i>)	6,976	6,209
– Margin clients (<i>note b</i>)	36	4,480
Trade receivables arising from other business (<i>note c</i>)	<u>64,458</u>	<u>73,730</u>
	71,470	84,419
Less: allowance for trade receivables from other business	<u>(1,513)</u>	<u>(2,753)</u>
	<u><u>69,957</u></u>	<u><u>81,666</u></u>

Notes:

- (a) The trade receivables from dealing in securities and futures contracts services represent receivables from clearing house, brokers and cash clients. The settlement terms of these trade receivables are one to two days after trade date. The trade receivables are not past due as at 31 December 2024 based on settlement terms and are not impaired since they are settled subsequent to 31 December 2024. No aging analysis of the trade receivables from clearing house, brokers and cash clients are disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.
- (b) The trade receivables from margin clients are repayable on demand and carry interest at interest rate ranged from 8.0% to 12.0% per annum. For credit facilities granted by the Group to margin clients, the margin clients are required to pledge their securities collateral to the Group, and the credit facilities granted is determined by the discounted market value of pledged securities in accordance with the Group's margin lending policies at a specified loan-to-collateral ratio.

At 31 December 2024, the market value of securities pledged as collateral in respect of the trade receivables from margin clients amounted to approximately HK\$36,000 (2023: HK\$140,088,000).

No aging analysis of the trade receivables from margin clients are disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.

- (c) Trade receivables arising from other business include trade receivables arising from food and beverage and provision of professional services.

The Group's trading terms with its customers of other business are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days to 180 days (2023: 30 days to 180 days).

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables arising from other business as at the end of the reporting period, based on the invoice date, net of allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	45,686	51,402
31 to 60 days	13,500	15,325
61 to 90 days	2,505	537
91 to 180 days	502	2,458
181 to 365 days	178	1,255
Over 365 days	574	–
	<u>62,945</u>	<u>70,977</u>

16. TRADE PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables arising from dealing in securities, futures contracts services and credit card services (<i>note a</i>)	282,416	92,900
Trade payables arising from provision of escrow services (<i>note b</i>)	49,884	24,739
Trade payables arising from other business (<i>note c</i>)	3,183	5,688
	<u>335,483</u>	<u>123,327</u>

Notes:

- (a) Trade payables arising from (i) dealing in securities and futures contracts services represent payables to clearing house and cash clients with settlement terms of two days after trade date; and (ii) credit card deposits from customers.

No aging analysis of the trade payables to clearing house, cash clients and credit card customers is disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.

- (b) Trade payables arising from provision of escrow services represent funds placed in the Group's bank accounts by its escrow clients (cash deposited with the Group's bank accounts are presented as "cash held on behalf of clients" under current assets in the Group's consolidated statement of financial position). Settlement of these payables is effected when the related funds transferred out of the Group's bank accounts in accordance with the escrow clients' instructions.

No aging analysis of the trade payables to escrow client is disclosed as management of the Group is of the view that the aging analysis does not give additional value in view of the nature of this business.

- (c) Trade payables arising from other business include trade payables arising from food and beverage and provision of professional services business.

An aged analysis of the trade payables arising from other business as at the end of the reporting period, based on invoice date, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	1,200	891
31 to 90 days	948	1,825
91 to 180 days	87	1,007
Over 180 days	948	1,965
	<u>3,183</u>	<u>5,688</u>

The trade payables are interest-free and are normally settled on terms of 30 days to 180 days (2023: 30 days to 180 days).

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activity of Prosperous Future Holdings Limited (the “**Company**”) is investment holding. The subsidiaries of the Company are principally engaged in the provision of food and beverage services, provision of financial business, properties holding and investment holding. The Company and its subsidiaries are hereinafter referred to as the “**Group**”.

During the prior year ended 31 December 2023, the Group disposed its subsidiary engaged in temperature-controlled storage and ancillary services business, which was presented as discontinued operation.

BUSINESS REVIEW

Continuing Operations

Provision of Food and Beverage Services

During the Reporting Period, the Group’s business segment of provision of food and beverage services business recorded a revenue of approximately HK\$405.4 million, representing a decrease of about 6.0% over the last year (31 December 2023: approximately HK\$431.4 million). While our strategy to focus on sales of premium products has effectively bolstered our market position, slowdown of local consumption demand and severe price competition exacerbated the competitive landscape.

The total gross profit for provision of food and beverage services was approximately HK\$50.2 million for the Reporting Period, representing a decrease of approximately HK\$2.9 million as compared with approximately HK\$53.1 million for the year ended 31 December 2023. The decrease in gross profit is in line with the decrease in revenue. Gross profit margin increased to approximately 12.4%, representing an increase of approximately 0.1% compared with last year. The increase in gross profit margin is mainly attributable to better sales mix as a result of higher sales proportion in high margin products.

The provision of food and beverage services business recorded a segment profit of approximately HK\$9.9 million during the Reporting Period (31 December 2023: approximately HK\$8.1 million). The increase in profit was mainly due to decrease in selling and distribution expenses driven by decrease in storage and logistic costs.

Provision of Financial Business

The Group's business segment of provision of financial business includes securities investment, provision of professional services, securities brokerage, margin financing, advising on securities and asset management services, money lending and credit card issuing.

During the Reporting Period, the Group's business segment of provision of financial business contributed a total revenue of approximately HK\$101.7 million to the Group (31 December 2023: approximately HK\$85.2 million), representing a year-on-year increase of approximately 19.3%.

The provision of financial business recorded a loss of approximately HK\$41.8 million (31 December 2023: approximately HK\$23.0 million).

– Securities Investment Business

The Group's securities investment includes investment in listed securities and private unlisted fund for long-term purposes which are classified as financial assets at fair value through other comprehensive income.

As at 31 December 2024, the Group had a portfolio of securities investment of approximately HK\$183.5 million, which consisted of equity securities listed in Hong Kong of approximately HK\$15.2 million and unlisted investment funds of approximately HK\$168.3 million.

2024 was characterized by a clear disparity in market performance, inflation expectations and interest rate environments between China and the United States. We stayed cautious on opening new position on securities trading during the Reporting Period. The securities investment business recorded a loss of approximately HK\$0.1 million (31 December 2023: approximately HK\$0.1 million).

Details of the significant investment (including any investment in an investee with a value of 5% or more of the Group's total assets as of 31 December 2024) performance during the Reporting Period are as follow:

Name of the investment	Movement for the year				% to the total assets of the Group as at 31 December 2024	Unrealised gain recorded in other comprehensive income for the year	Dividend received during the year
	% to the total assets of the Group as at 1 January 2024	Fair value as at 1 January 2024	Change on fair value	Fair value as at 31 December 2024			
	%	HKD'000	HKD'000	HKD'000			
Unlisted fund							
HS Plus Global Investment Fund SPC – APLUS Asset Growth SP	2.26	18,312	150,002	168,314	15.51	150,002	–

Note:

HS Plus Global Investment Fund SPC – APLUS Asset Growth SP (“**HP Fund SPC**”) is established by certain external fund manager which is principally engaged in securities investments. The Group aims at long-term capital growth for its investment in HP Fund SPC which is classified as financial assets at fair value through other comprehensive income.

– Securities Brokerage, Margin Financing, Asset Management and Professional Services Business

The Group currently provides brokerage services for securities, futures and other related products, margin financing as well as asset management services, to individuals and corporate clients. With a well-structured team of experienced professionals, the Group also offers fund administration and other relevant professional services to investment funds and corporates.

For the Reporting Period, this business recorded a total turnover of approximately HK\$92.4 million (31 December 2023: approximately HK\$83.3 million) due to increase in revenue from provision of professional consultancy services to investment funds and corporates.

This business recorded a total profit of approximately HK\$0.4 million during the Reporting Period (31 December 2023: approximately HK\$3.4 million). The decrease in profit is mainly attributable to the increase in advertising expense.

An impairment loss of trade receivables arising from margin financing of approximately HK\$0.2 million (31 December 2023: approximately HK\$7.2 million) was recognised during the Reporting Period.

As at 31 December 2024, the total value of outstanding trade receivables arising from margin financing is approximately HK\$36,000. As at 31 December 2024, margin loans with gross carrying amount of HK\$6.4 million with interest rate of approximately 12.0% per annum and repayment on demand were assessed as credit-impaired due to margin shortfall. Those margin loans were secured by certain securities with approximately HK\$36,000 market value at the end of the Reporting Period.

As stated in the above paragraph, margin loans of two customers with the total gross carrying amount of approximately HK\$6.4 million were assessed as credit-impaired as at 31 December 2024. In the prior year, the market price of listed securities pledged by those margin clients significantly declined, and they failed to fully make up the margin shortfall by providing sufficient monetary amount of additional collaterals or repayment. Accordingly forced sale of the relevant pledged securities of the clients' position in the open market were executed in the prior year. An accumulated impairment provision of approximately HK\$6.4 million was made for these two exposures at the end of the Reporting Period.

The Group's gross trade receivables from margin financing were concentrated, in which 50.0% (approximately HK\$3.2 million) and 100.0% (approximately HK\$6.4 million) of such receivables were due from the largest borrower and the top two borrowers, respectively.

The Group will continue to provide tailor-made financial solutions and professional services in connection with financial products and funds to our clients in future.

– Money Lending Business and Credit Card Business

The Group's money lending and credit card business recorded a turnover of approximately HK\$9.3 million (31 December 2023: approximately HK\$2.0 million) due to the full year effect of credit card handling charge income, as the Group commenced its credit card issuing business during last year.

As at 31 December 2024, the Group has a gross carrying amount of loan and interest receivables of approximately HK\$3.2 million (31 December 2023: loans of approximately HK\$4.1 million), representing one outstanding unsecured loan with effective interest rate of approximately 24.0% per annum with a term in 12 months (the “**Outstanding Loan**”). The Outstanding Loan was granted to an independent third party of the Company. As at 31 December 2024 and 31 December 2023, the loan and interest receivables were fully impaired.

The Group's gross loan and interest receivables were concentrated, in which approximately 100.0% (approximately HK\$3.2 million) of such receivables were due from the largest borrower.

When the Group discovers that a borrower has become bankrupt, the Group will fully write off the loan and interest receivables of that borrower. A loan and interest receivables of approximately HK\$0.2 million were written off during the year ended 31 December 2024 (31 December 2023: approximately HK\$0.4 million).

The Group accounts for its credit risk by providing for expected credit losses on a timely basis where appropriate. In computing the rate for the expected credit loss, the Group takes into account of the historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

A reversal of impairment loss on loan and interest receivables of approximately HK\$0.8 million was recognised during the year ended 31 December 2024 mainly due to the overall decrease in gross loan and interest receivables in the same period as there were repayments made during the year (31 December 2023: approximately HK\$1.5 million).

The provision of money lending and credit card business recorded a loss of approximately HK\$42.1 million (31 December 2023: approximately HK\$26.3 million). The increase in loss was primarily due to the additional staff cost incurred which resulted from increase in headcount to enhance system development and customer service capability for our money lending and credit card business.

Properties Holding

The Group currently holds certain industrial properties located at Cheung Sha Wan, Hong Kong and leased out some of these properties.

During the Reporting Period, the business segment of properties holding reported a revenue of approximately HK\$1.4 million (31 December 2023: approximately HK\$0.8 million). The increase is resulted from the increase in occupancy rate during the reporting period and the full year effect of existing tenancy entered in last year.

During the year, the Group disposed its entire interest in Apex Magic International Limited (“**Apex Magic**”) together with the subsidiaries of Apex Magic, which held certain properties for redevelopment in Yuen Long, Hong Kong. A net gain of approximately HK\$1.9 million was recognized for such disposal.

The properties holding business recorded a segment loss of approximately HK\$19.5 million (31 December 2023: approximately HK\$9.5 million).

An impairment loss on properties for development of approximately HK\$9.2 million was provided during the Reporting Period (31 December 2023: approximately HK\$7.0 million).

The loss on change in fair value of investment properties of approximately HK\$9.7 million was provided during the Reporting Period (31 December 2023: approximately HK\$1.6 million).

Discontinued Operation

Others (Temperature – controlled Storage)

The segment mainly represents the provision of temperature-controlled storage and ancillary services business conducted primarily through the Company’s indirect subsidiary, China Cold Chain Co. Limited (“**CCC**”). During the prior year ended 31 December 2023, the Group disposed its entire interest in CCC and ceased to engage in temperature-controlled storage and ancillary services business upon the disposal. A revenue of approximately HK\$1.9 million and a loss of approximately HK\$0.5 million were recorded during the year ended 31 December 2023.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the revenue of the Group was approximately HK\$508.5 million, representing a decrease of about 1.7% over the last year (for the year ended 31 December 2023: approximately HK\$517.4 million).

Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately HK\$130.5 million, representing an increase of about 10.5% as compared with the gross profit of approximately HK\$118.2 million for the year ended 31 December 2023. The increase in the gross profit was mainly due to increase in gross profit of provision of financial business.

During the Reporting Period, the gross profit margin increased by approximately 2.9% over the last year to approximately 25.7% (for the year ended 31 December 2023: approximately 22.8%). The increase in overall gross profit margin was primarily due to increase in gross profit margin of provision of financial business.

Other Income and Gains

Other income and gains mainly comprised of interest income from bank deposits, income from other services and other miscellaneous income or gains. Other income and gains amounted to approximately HK\$16.4 million for the Reporting Period, representing an increase of 36.5% as compared with approximately HK\$12.0 million for the same period of last year. The increase is primarily attributable to income from other services was recorded during the Reporting Period.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of storage and logistic costs, advertising expenses, salaries expenses of sales personnel and other expenses. Selling and distribution expenses amounted to approximately HK\$41.1 million for the Reporting Period, representing an increase of about 8.8% as compared with approximately HK\$37.8 million for the year ended 31 December 2023. The increase was mainly due to increase in advertising expenses.

The selling and distribution expenses accounted for approximately 8.1% of the revenue during the Reporting Period (for the year ended 31 December 2023: approximately 7.3%), among which, storage and logistic costs, as a percentage of revenue, decreased from approximately 5.7% for the year ended 31 December 2023 to approximately 4.9% for the Reporting Period.

Administrative Expenses

Administrative expenses primarily consisted of salaries and wages for administrative staff, professional fees, depreciation and other expenses. Administrative expenses of the Group amounted to approximately HK\$134.8 million for the Reporting Period (for the year ended 31 December 2023: approximately HK\$106.5 million), representing an increase of approximately 26.6% over the last year. The increase was mainly due to increases in wages and salaries incurred by our money lending and credit card business during the year.

Administrative expenses accounted for approximately 26.5% of the Group's revenue for the Reporting Period (for the year ended 31 December 2023: approximately 20.6%).

Other Expenses

Other expenses mainly represent impairment losses on properties for development, right-of-use assets and trade receivables arising from margin clients. Other expenses amounted to approximately HK\$12.5 million for the Reporting Period, marking a 13.7% year-over-year decline from approximately HK\$14.4 million for the year ended 31 December 2023. The decrease was resulted from decrease in impairment loss on trade receivables arising from margin clients, which was partially offset by the impairment loss on right-of-use assets recognized during the year and increase in impairment loss on properties for development.

Finance Costs

The Group had finance costs of approximately HK\$0.7 million for the Reporting Period (for the year ended 31 December 2023: approximately HK\$0.8 million).

Disposal of Subsidiaries

Apex Magic International Limited (“Apex Magic”)

On 20 November 2024, the Company as the vendor entered into the sale and purchase agreement with Deutschland Auto Spare Parts GMBH Limited as the purchaser, to sell its entire interest in Apex Magic International Limited (“**Apex Magic**”), and 100% of all liabilities and debts owing by Apex Magic to the Company at a consideration of HK\$27 million (the “**Disposal**”). Apex Magic is a 50% shareholder of Jumbo Excel Investment Corporation (“**Jumbo Excel**”). Jumbo Excel, through its subsidiaries, held indirect interest in certain land and properties in Yuen Long, Hong Kong. As the highest applicable percentage ratio in respect of the Disposals on an aggregated basis exceeds 5% but is lower than 25%, the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For details of the Disposal, please refer to the Company’s announcement dated 20 November 2024. A net gain of approximately HK\$1.9 million was recognized for the Disposal.

China Cold Chain Co. Limited (“CCC”)

The Group entered into an agreement to dispose its entire interest in CCC for consideration valued at approximately HK\$2.3 million with a certain purchaser on 31 March 2023 and completed the disposal on 30 April 2023. CCC, a 70% indirectly owned subsidiary of the Company, was primarily engaged in provision of temperature-controlled storage and ancillary services business. Upon completion of the disposal, the Group ceased to hold any interests in CCC and a gain on disposal of approximately HK\$1.1 million was recognized.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

Save as disclosed in the above section headed “Disposal of Subsidiaries”, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies for the year ended 31 December 2024. Saved as disclosed in the above section headed “Business Review – Provision of Financial Business – Securities Investment Business”, the Group did not hold any significant investments as at 31 December 2024. The Group does not have any future plans in relation to material investments or capital assets.

Net Loss and Net Loss Margin

For the Reporting Period, loss attributable to equity holders of the Company amounted to approximately HK\$53.7 million as compared with loss attributable to equity holders of the Company of approximately HK\$38.7 million for the year ended 31 December 2023. The net loss margin was approximately 10.6% as compared with the net loss margin of approximately 7.5% for the year ended 31 December 2023, with basic loss per share of approximately HK\$2.42 cents (basic loss per share for the year ended 31 December 2023: approximately HK\$1.70 cents).

Capital Expenditure

For the Reporting Period, the Group's material capital expenditure (consists of addition to property, plant and equipment and investment properties) amounted to approximately HK\$0.1 million (for the year ended 31 December 2023: approximately HK\$0.9 million), which was mainly used for renovation of our offices and acquisition of office equipment.

Financial Resources and Liquidity

As at 31 December 2024, cash and bank balances of the Group amounted to approximately HK\$389.4 million (for the year ended 31 December 2023: approximately HK\$358.3 million). The current ratio was 1.9 (for the year ended 31 December 2023: 3.4). Our liquidity remained healthy. The uses of balance of cash and bank balances were mainly as follows: firstly, providing the liquid capital and strengthening the operation of the provision of financial business; secondly, developing the provision of food and beverage services business; and thirdly, pursuing potential acquisition and investment opportunities.

Fundraising Activities

During the Reporting Period, the Company had not issued any equity securities for cash.

Loan and Interest Receivables

As at 31 December 2024 and 31 December 2023, the Group's loan and interest receivables were nil. During the Reporting Period and the prior year ended 31 December 2023, the Group did not enter into any additional loan arrangements with customers.

A reversal of impairment loss on loan and interest receivables of approximately HK\$0.8 million was made during the Reporting Period (31 December 2023: approximately HK\$1.8 million).

Gross loan and interest receivables of approximately HK\$0.2 million were written off during the Reporting Period (31 December 2023: HK\$0.4 million). Such receivables were fully impaired in prior years.

Trade Receivables

As at 31 December 2024, the Group's trade receivables were approximately HK\$70.0 million (31 December 2023: approximately HK\$81.7 million). The amount included trade receivables arising from margin financing approximately HK\$36,000 (31 December 2023: approximately HK\$4.5 million) with repayment on demand clause and trade receivables arising from dealing in securities and futures contracts services (clearing house, brokers and cash clients) approximately HK\$7.0 million (31 December 2023: approximately HK\$6.2 million) to be settled one to two days after trade date. Besides, the Group usually grants a credit period of 30 to 180 days to the customers for settling trade receivables arising from the remaining businesses amounted at approximately HK\$62.9 million (31 December 2023: approximately HK\$71.0 million).

An impairment loss on trade receivables arising from margin financing of approximately HK\$0.2 million was recorded during the Reporting Period (31 December 2023: approximately HK\$7.2 million). A reversal of impairment loss on trade receivables arising from the remaining businesses of approximately HK\$1.2 million was made during the Reporting Period (31 December 2023: impairment loss of approximately HK\$1.0 million).

Trade Payables

As at 31 December 2024, trade payables were approximately HK\$335.5 million (31 December 2023: approximately HK\$123.3 million), of which included trade payables arising from dealing in securities and futures contracts services approximately HK\$282.4 million (31 December 2023: approximately HK\$92.9 million) to be settled one to two days after trade date and trade payables arising from provision of escrow services approximately HK\$49.9 million (31 December 2023: approximately HK\$24.7 million) of which payments shall be made upon client's request. Besides, the Group normally settled the remaining payables arising from other businesses amounted at approximately HK\$3.2 million (31 December 2023: approximately HK\$5.7 million) on terms of 30 to 180 days and kept good payment records.

Inventories

As at 31 December 2024, inventories of the Group were approximately HK\$37.6 million (31 December 2023: approximately HK\$42.7 million). As at 31 December 2024, the inventory balance decreased by approximately 12.0% over 31 December 2023.

Gearing Ratio

As at 31 December 2024, the current assets and total assets of the Group were approximately HK\$745.7 million and HK\$1,085.0 million respectively, the current liabilities and total liabilities of the Group were approximately HK\$385.0 million and HK\$388.1 million respectively. The gearing ratio (total liabilities/total assets) of the Group was approximately 35.8% (31 December 2023: approximately 21.8%).

Bank Borrowings

As at 31 December 2024, the Group did not have any bank borrowings (31 December 2023: approximately HK\$6.9 million). No facility was provided to the Group from banks (31 December 2023: Facilities were provided to the Group from banks in Hong Kong in the form of secured bank borrowings amounting to approximately HK\$6.9 million secured by a guarantee from the Company).

Pledge of Assets

As at 31 December 2024 and 31 December 2023, the Group did not have any pledged assets for borrowings.

Capital Structure

The major objective of the Group's capital management is to ensure the ability of sustainable operations and maintain a healthy capital ratio in order to support its businesses and maximise the interests of the shareholders (the "**Shareholders**") of the Company. The Group continued to emphasise the appropriate mix of equity and debt to ensure an efficient capital structure in order to reduce capital cost.

Risk of Foreign Exchange

The Group's business operations were denominated mainly in HK\$ and US dollars ("USD") during the Reporting Period.

The Group's assets and liabilities are mainly denominated in HK\$ and USD at the year end. Currently, the Group has not entered into any agreement or purchased any instrument to hedge the Group's foreign currency risk. Since the HK\$ is pegged to the USD, the Group's exposure to foreign currency risk in respect of asset and liabilities denominated in USD is considered to be minimal.

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Contingent Liabilities

As at 31 December 2024 and 31 December 2023, the Group had no material contingent liabilities.

OUTLOOK

The Group remains committed to create long-term values for its Shareholders by developing a well-diversified business portfolio comprised of our food and beverage business and financial business.

Globally, macro challenges persisted with significant policy uncertainty under U.S. President Trump's administrations, ongoing slowdown in Mainland China's property market and prolong tensions in the Middle East. Locally, Hong Kong's economic momentum is hindered by structural transformations and trend of trading down by budget-conscious consumers. An overall economic turnaround has yet to take place and the Group will monitor its business development in cautious manner.

Looking ahead to 2025, the food and beverage services industry will encounter both opportunities and challenges. With the resumption and expansion of the multiple-entry Individual Visit Scheme for Shenzhen and its potential further expansion to other regions, Hong Kong's tourism and catering industries are expected to see a boost. Conversely, the trend of northward shifting in local consumer spending is likely to reduce demand in Hong Kong's frozen foods market. Besides, a continued surge in global procurement costs is anticipated due to extended protectionist policies and rising tariffs. Given the high uncertainty of the overall environment in the short term, the Group will remain cautious in its approach to developing the food and beverage services business. Nevertheless, we remain confident in our long-term growth potential, supported by a robust client base and a well-balanced list of international suppliers. We will continue to focus on diversifying our high-margin product offerings and expanding our market presence by staying attuned to emerging customer trends.

Given Hong Kong's strategic role as a global hub for offshore RMB business and a regional hub for green technology and finance, the Group believes Hong Kong will maintain its leading position in the regional capital market. The Hong Kong government, with strong support from the Mainland China Government, has been actively promoting the city as a premier asset management centre. Several targeted policies have been implemented to encourage growth in this sector. The Mainland China market is expected to remain the primary growth driver for Hong Kong's financial services industry. This is due to the increasing number of high-net-worth individuals and a rising middle-class population, both of which are expected to drive the demand for investment products. With its extensive experience in asset management and a range of innovative investment products, Hong Kong is well-positioned to meet the needs of this expanding market. The Group has been looking into opportunities to expand its business portfolio in the financial sector. With our expansion into the credit card business and insurance business, our financial business segment has further progressed to our long-term strategic development goal of establishing as a comprehensive financial services institution.

Amid high uncertainty, the investment landscape continue to be volatile. We will remain conservative in considering investment in securities or other financial products.

To generate value for our Shareholders, the Group will continuously assess the performance of its existing businesses and identify segments with growth potential. Additionally, the Group may consider diversifying into new business areas if advantageous opportunities present themselves. The Company will issue formal announcements and adhere to reporting obligations in accordance with the Listing Rules as necessary.

EMPLOYEES AND REMUNERATION

As at 31 December 2024, the Group employed 164 employees (as at 31 December 2023: 126 employees).

Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. In addition to basic salaries, year-end bonuses may be awarded by the Group to those staff members with outstanding performance.

The Group operates the Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the Group and the employees are each required to make contributions to the plan at 5% of the employee’s relevant income, subject to a cap of monthly relevant income of HK\$30,000 per employee. There are no forfeited contributions for the MPF Scheme as the contributions are fully vested to the employees upon payments to the MPF Scheme.

Furthermore, pursuant to the relevant laws and regulations in overseas regions, the Group has joined the respective defined contribution retirement schemes for its local employees (the “**Overseas Retirement Schemes**”). The Group makes contributions to the Overseas Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. As at 31 December 2024, there were no forfeited contributions for the Overseas Retirement Schemes as the contributions were fully vested to the employees pursuant to the applicable laws and regulations.

In addition, a share option scheme was adopted by the Company in June 2021 for the purpose of providing incentive or reward to staff members and other eligible participants who make contributions to the success of the Group. The Directors believe that the compensation packages offered by the Group to its staff members are competitive in comparison with market standards and practices.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend in respect of the year ended 31 December 2024 (year ended 31 December 2023: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), comprising the Company’s three independent non-executive Directors, has reviewed the consolidated financial statements of the Group for the Reporting Period, and discussed with the management and the auditor of the Company, BDO Limited, on the accounting principles and practices, financial reporting process, internal control adopted by the Group, with no disagreement by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company exercised its powers under the general mandate to repurchase the shares granted by the Shareholders to the Board at the annual general meeting of the Company held on 23 June 2023, and repurchased a total of 59,762,000 shares (among which 32,829,000 shares were cancelled on 29 February 2024 and 26,933,000 shares were cancelled on 25 June 2024) on the Stock Exchange at an aggregate consideration of HK\$3,697,100. As at 31 December 2024, the total number of shares of the Company in issue was 2,203,361,000.

Details of the repurchase of shares on a monthly basis during the Reporting Period are summarized as follows:

Month	Number of shares repurchased	Highest price	Lowest price	Aggregate consideration
		paid per share <i>HK\$</i>	paid per share <i>HK\$</i>	
January 2024	32,829,000	0.055	0.026	1,561,089
April 2024	5,030,000	0.080	0.071	383,070
May 2024	14,903,000	0.080	0.074	1,185,276
June 2024	7,000,000	0.082	0.079	567,665

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained a sufficient public float of the issued shares (i.e. at least 25% of the Company's total number of issued shares were held by the public) as required under Listing Rules.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (“**CG Code**”) as contained in Appendix C1 to the Listing Rules during the Reporting Period apart from the code provisions F.2.2 and C.2.1 as disclosed below.

Under code provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. During the Reporting Period, the Company did not appoint any individual to be the chairman of the Board as the Board was still in the process of identifying a suitable candidate. Mr. Lau Ka Ho (“**Mr. Lau**”), the executive Director and chief executive officer of the Company, has chaired the annual general meeting held on 21 June 2024 (“**2024 AGM**”) and addressed questions raised by the Shareholders at the 2024 AGM. The chairman of the audit, nomination and remuneration committees of the Board, and representatives of the Company's auditor also attended the 2024 AGM and were available to address questions from the Shareholders.

Having considered the knowledge of the aforesaid attendees, including representation from the Company's management and auditor, the Company considers that questions or issues raised by Shareholders would be sufficiently addressed and that an effective dialogue between the Company and the Shareholders has been maintained.

Under code provision C.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. As aforesaid, the Company did not appoint any individual to be the chairman of the Board during the Reporting Period. Hence the Company deviated from the requirements under code provision C.2.1. The Board will nominate suitable candidate to act as chairman of the Board as soon as practicable and will make necessary announcement as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ dealings in the Company’s securities. Each Director has been given a copy of the Model Code. Specific enquiry has been made of all the Company’s Directors and they have confirmed their compliance with the Model Code throughout the Reporting Period.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”), governing securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2024 which would materially affect the Group’s operating and financial performance as of the date of this announcement.

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 and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 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 consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.pfh.hk) and the Stock Exchange (www.hkexnews.hk). The Company's annual report for the year ended 31 December 2024, containing all the information required by the Listing Rules, will be available on the above websites and despatched to the Shareholders in due course.

By order of the Board
Prosperous Future Holdings Limited
Lau Ka Ho

Chief Executive Officer and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Lau Ka Ho and Mr. Chan Hoi Tik; (ii) one non-executive Director, namely Mr. Sze Wine Him Jaime; and (iii) three independent non-executive Directors, namely Ms. Chan Sze Man, Ms. Bu Yanan and Mr. Wong Sai Hung.