大同機械企業有限公司
COSMOS MACHINERY ENTERPRISES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 118)

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS SUMMARY

	2024 *HK$'000*	2023 *HK$'000* (Restated)	Change
Continuing operations			
Revenue	**1,865,354**	1,723,747	+8.2%
Gross profit	**344,921**	332,558	+3.7%
Operating profit	**27,914**	36,053	–22.6%
Profit for the year	**11,063**	21,698	–49.0%
Discontinued operation			
Profit/(loss) for the year	**7,690**	(81,213)	N/A

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Cosmos Machinery Enterprises Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023. These final results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000 (Restated)
Continuing operations			
Revenue	3	**1,865,354**	1,723,747
Cost of sales		**(1,520,433)**	(1,391,189)
Gross profit		**344,921**	332,558
Other income, gain and loss, net		**35,180**	16,212
Selling and distribution costs		**(179,088)**	(155,498)
Administrative expenses		**(173,099)**	(157,219)
Operating profit		**27,914**	36,053
Investment income		**9,070**	10,458
Share of results of associates		**3,991**	3,635
Gain on disposal of an associate		**–**	412
Finance costs		**(13,838)**	(14,922)
Profit before tax	4	**27,137**	35,636
Income tax expense	5	**(16,074)**	(13,938)
Profit for the year from continuing operations		**11,063**	21,698
Discontinued operation			
Profit/(loss) for the year from discontinued operation	6	**7,690**	(81,213)
Profit/(loss) for the year		**18,753**	(59,515)
Profit/(loss) for the year attributable to equity shareholders of the Company			
From continuing operations		**2,668**	20,571
From discontinued operation		**5,228**	(64,372)
		7,896	(43,801)
Profit/(loss) for the year attributable to non-controlling interests			
From continuing operations		**8,395**	1,127
From discontinued operation		**2,462**	(16,841)
		10,857	(15,714)
Profit/(loss) for the year		**18,753**	(59,515)
Earnings/(loss) per share – Basic			
From continuing operations	7	**0.31 HK cent**	2.39 HK cents
From discontinued operation	7	**0.61 HK cent**	(7.47) HK cents
		0.92 HK cent	(5.08) HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000 (Restated)
Profit/(loss) for the year		**18,753**	(59,515)
Other comprehensive (expense)/ income for the year, net of tax:			
Items that have been reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of financial statements of foreign operations		**(23,684)**	(17,848)
Share of reserves of associates		**(81)**	(996)
Reclassification adjustments:			
Release of translation reserve upon disposal of an associate		**–**	166
Release of translation reserve upon disposal of subsidiaries	*11*	**1,803**	8,568
		(21,962)	(10,110)
Item that will not be reclassified to profit or loss:			
Deficit on revaluation of properties held for own use		**(17,870)**	(4,464)
		(39,832)	(14,574)
Total comprehensive expense for the year		**(21,079)**	(74,089)
Total comprehensive (expense)/income attributable to equity shareholders of the Company:			
From continuing operations		**(38,738)**	5,221
From discontinued operation		**7,348**	(55,621)
		(31,390)	(50,400)
Total comprehensive income/(expense) attributable to non-controlling interests:			
From continuing operations		**7,557**	(5,338)
From discontinued operation		**2,754**	(18,351)
		10,311	(23,689)
Total comprehensive expense for the year		**(21,079)**	(74,089)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current Assets			
Property, plant and equipment		**455,254**	523,103
Right-of-use assets		**42,768**	41,286
Goodwill		**–**	3,896
Intangible assets		**–**	–
Interests in associates		**36,987**	36,549
Finance lease receivables		**22,256**	13,625
Deferred tax assets		**25,525**	22,048
Deposit paid for purchase of property plant and equipment	8	**19,996**	–
		602,786	640,507
Current Assets			
Inventories		**408,584**	418,825
Finance lease receivables		**63,750**	84,802
Trade and other receivables	8	**577,880**	651,584
Other financial assets		**–**	5,630
Current tax recoverable		**161**	264
Cash and bank balances		**519,030**	660,468
		1,569,405	1,821,573
Current Liabilities			
Trade and other payables	9	**622,708**	681,902
Contract liabilities		**81,613**	72,446
Bank borrowings		**110,399**	234,598
Lease liabilities		**4,657**	4,182
Current tax payable		**5,627**	4,836
		825,004	997,964
Net Current Assets		**744,401**	823,609
Total Assets less Current Liabilities		**1,347,187**	1,464,116

	2024	2023
	HK$'000	*HK$'000*
Non-current Liabilities		
Bank borrowings	**4,860**	–
Lease liabilities	**7,046**	4,741
Deferred tax liabilities	**24,764**	30,511
	36,670	35,252
Net Assets	**1,310,517**	1,428,864
Equity		
Capital and reserves attributable to equity shareholders of the Company:		
Share capital	**609,027**	609,027
Reserves	**632,610**	662,695
	1,241,637	1,271,722
Non-controlling Interests	**68,880**	157,142
Total Equity	**1,310,517**	1,428,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of final results for the year ended 31 December 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies in due course.

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which also include Hong Kong Accounting Standards ("**HKAS**") and Interpretations ("**Int**"), issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of interest in leasehold land and buildings where the Group is the registered owner of the property interest and certain financial assets, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(a) Adoption of amended HKFRSs

The Group has adopted the following amendments to HKFRSs for the first time for the current year's consolidated financial statements.

- Amendments to HKFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to HKAS 1, Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")
- Amendments to HKAS 1, Non-current Liabilities with Covenants (the "**2022 Amendments**")
- Amendments to HKAS 7 and HKFRS 7, Supplier Finance Arrangements
- Amendments to Int 5, Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The nature and the impact of the amendments to HKFRSs and revised Int are described below:

(i) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(ii) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(iii) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's consolidated financial statements.

(b) Possible impact of new and amendments to HKFRSs but not yet effective for the year ended 31 December 2024

The following new and amendments to HKFRSs, which may be applicable to the Group, have been issued and are effective after 2024. The Group has not elected to early adopt these pronouncements in 2024.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11		1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING

The Group manages its business by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified, on a product basis, the following four reportable segments.

(1) trading of industrial consumables;

(2) processing and manufacturing of plastic products;

(3) manufacturing of machinery; and

(4) machinery leasing.

The printed circuit boards ("**PCB**") processing and trading business (the "**PCB Business**") were discontinued in the current year. The segment information reported does not include any amounts for this discontinued operation. For details, please refer to Note 6. Certain comparative figures have been restated to conform with current year presentation.

The segment results for the year ended 31 December 2024 are as follows:

	Industrial consumables *HK$'000*	Plastic products *HK$'000*	Machinery *HK$'000*	Machinery leasing *HK$'000*	Other operations *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Continuing operations							
REVENUE							
External sales	397,107	573,373	889,859	5,015	–	–	1,865,354
Inter-segment sales *(Note)*	20,366	34	1,234	15	–	(21,649)	–
Total revenue	417,473	573,407	891,093	5,030	–	(21,649)	1,865,354
Segment results	22,073	35,246	(18,798)	1,615	6,749	–	46,885
Unallocated corporate expenses							(18,971)
Operating profit							27,914
Investment income							9,070
Share of results of associates							3,991
Finance costs							(13,838)
Profit before tax							27,137
Income tax expense							(16,074)
Profit for the year							11,063

Note: Inter-segment sales are determined at prevailing market rates.

The segment results for the year ended 31 December 2023 (restated) are as follows:

	Industrial consumables *HK$'000*	Plastic products *HK$'000*	Machinery *HK$'000*	Machinery leasing *HK$'000*	Other operations *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Continuing operations							
REVENUE							
External sales	388,339	525,873	799,335	10,200	–	–	1,723,747
Inter-segment sales *(Note)*	28,623	61	1,573	6	–	(30,263)	–
Total revenue	416,962	525,934	800,908	10,206	–	(30,263)	1,723,747
Segment results	18,210	33,331	1,007	1,412	3,264	–	57,224
Unallocated corporate expenses							(21,171)
Operating profit							36,053
Investment income							10,458
Share of results of associates							3,635
Gain on disposal of an associate							412
Finance costs							(14,922)
Profit before tax							35,636
Income tax expense							(13,938)
Profit for the year							21,698

Note: Inter-segment sales are determined at prevailing market rates.

Geographical information

An analysis of revenue from continuing operations and external customers by geographical market, based on the location of the goods were delivered or services rendered, is as follows:

	2024 ***HK$'000***	2023 *HK$'000* (Restated)
Continuing operations		
Hong Kong	**31,961**	26,779
Mainland China	**1,578,096**	1,459,282
Other Asia-Pacific countries	**149,261**	185,497
North America	**17,191**	6,584
Europe	**88,845**	45,605
	1,865,354	1,723,747

An analysis of the Group's property, plant and equipment, right-of-use assets, goodwill and intangible assets, by the geographical area in which the assets are located is as follows:

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**108,146**	127,694
Mainland China	**389,876**	440,591
	498,022	568,285

4. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the following:

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
(Reversal of allowance)/allowance for impairment of bad and doubtful debts, net	**(4,171)**	13,656
Depreciation and amortisation on:		
– Property, plant and equipment		
– Ownership interest in leasehold land and buildings held for own use	**14,749**	15,676
– Other owned assets	**27,183**	26,813
– Right-of-use assets	**6,013**	7,010

5. INCOME TAX EXPENSE

Hong Kong profits tax

The provision for Hong Kong profits tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the Two-tiered Profits Tax Rates Regime. For this subsidiary, the first HK$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The People's Republic of China (the "PRC" or "China") enterprise income tax

(i) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Regulation on the Implementation of the EIT Law, the rate of the PRC companies is 25%. The Group's subsidiaries in the PRC are subject to the PRC income tax at 25% unless otherwise specified.

(ii) ***High and New Technology Enterprise ("HNTE")***

According to the EIT Law and its relevant regulations, entities that qualified as HNTE are entitled to a preferential income tax rate of 15%. Certain of the Group's subsidiaries are qualified as HNTE and are subject to the PRC income tax at 15% for 2024 and 2023.

The 15% preferential tax rate applicable to HNTE is subject to renewal approval jointly by the relevant authorities, upon expiry of the three-year grant period, according to the prevailing income tax regulations.

	2024 ***HK$'000***	2023 *HK$'000* (Restated)
Continuing operations		
Tax charge comprises:		
Current tax		
Hong Kong profits tax		
Current year	**231**	83
Over-provision in prior years	**(289)**	–
	(58)	83
The PRC enterprise income tax		
Current year	**16,668**	11,918
Under-provision/(over-provision) in prior years	**187**	(716)
	16,855	11,202
The PRC withholding tax on dividends	**3,219**	600
Deferred tax		
Deferred taxation relating to the (reversal) and origination of temporary differences	**(3,942)**	2,053
Income tax expense from continuing operations	**16,074**	13,938
Discontinued operation		
Hong Kong profits tax		
Current year	**1,234**	1,572
(Over-provision)/under-provision in prior years	**(412)**	115
	822	1,687
The PRC enterprise income tax		
Current	**406**	988
Under-provision in prior years	**474**	2
	880	990
Deferred tax	**–**	442
Income tax expense from discontinued operation	**1,702**	3,119
Total income tax expense from continuing and discontinued operations	**17,776**	17,057

6. DISCONTINUED OPERATION

On 16 October 2023, the Group agreed to sell the entire share capital of GB HK and the entire equity interest in GB Shenzhen to Purchaser I and Purchaser II respectively, at the respective consideration of HK$1 and approximately RMB137,000,000, subject to the Price Adjustment. On 27 May 2024, Purchaser II has settled the Final Instalment in full, and all transactions under the Disposals have been completed in accordance with the MOU, the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Confirmation. Details were set out in the circular of the Company dated 24 November 2023 and the announcement of the Company dated 29 April 2024 and 27 May 2024 (the "**Circular and Announcements in relation to the Disposal of PCB Processing Business**"). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and Announcements in relation to the Disposal of PCB Processing Business.

On 10 July 2024, Major Success Company Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of 5,200 ordinary shares of the Target Company (representing 52% of the total number of its issued shares) at a cash consideration of approximately HK$52,993,000. Details were set out in the circular and the announcement of the Company both dated 21 August 2024 (the "**Circular and Announcement in relation to the Disposal of PCB Trading Business**"). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and Announcement in relation to the Disposal of PCB Trading Business.

The profit/(loss) for the period from 1 January 2024 to 21 August 2024 (for the year ended 31 December 2023) from the discontinued PCB Business is set out below. The comparative figures in the consolidated income statement have been restated to re-present the PCB Business as a discontinued operation.

	2024 ***HK$'000***	2023 *HK$'000*
Profit/(loss) of the PCB Business for the period/year	**7,690**	(81,213)
Gain/(loss) on disposal of the PCB Business *(Note 11)*	**2,560**	(46,151)

The results of the PCB Business for the period from 1 January 2024 to 21 August 2024 (for the year ended 31 December 2023), which have been included in the consolidated income statement, were as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Revenue	**154,446**	453,153
Cost of sales	**(127,775)**	(416,046)
Gross profit	**26,671**	37,107
Other income, gain and loss, net	**18**	1,805
Selling and distribution costs	**(1,712)**	(7,273)
Administrative expenses	**(18,800)**	(33,849)
Impairment loss on goodwill	**–**	(29,100)
Operating profit/(loss)	**6,177**	(31,310)
Investment income	**660**	994
Finance costs	**(5)**	(1,627)
Profit/(loss) before tax	**6,832**	(31,943)
Income tax expenses	**(1,702)**	(3,119)
Profit/(loss) from discontinued operation	**5,130**	(35,062)
Gain/(loss) on disposal of discontinued operation	**2,560**	(46,151)
Profit/(loss) for the period/year from discontinued operation	**7,690**	(81,213)

Profit/(loss) for the period form 1 January 2024 to 21 August 2024 (for the year ended 31 December 2023) from discontinued operation include the following:

	2024	2023
	HK$'000	*HK$'000*
Auditors' remuneration	**60**	373
Loss on disposal of property, plant and equipment	**–**	1,861
Depreciation and amortisation on:		
– Property, plant and equipment		
– Ownership interest in leasehold land and buildings held for own use	**402**	620
– Other owned assets	**259**	9,593
– Intangible assets	**–**	922
– Right-of-use assets	**242**	6,547

The cash flows of the PCB Business for the period from 1 January 2024 to 21 August 2024 (for the year ended 31 December 2023), were as follows:

	2024	2023
	HK$'000	*HK$'000*
Net cash (outflow)/inflow from operating activities	**(1,624)**	33,249
Net cash inflow from investing activities	**660**	18,317
Net cash (outflow)/inflow from financing activities	**(93,175)**	12,831

The carrying amounts of the assets and liabilities of the Target Group are disclosed in Note 11.

7. EARNINGS/(LOSS) PER SHARE – BASIC

The calculation of the basic earnings/(loss) per ordinary share from continuing and discontinued operations attributable to equity shareholders of the Company is based on the following:

	2024	2023
Weighted average number of ordinary shares in issue	**861,930,692**	861,930,692

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Profit/(loss) for the purpose of calculating the basic earnings/(loss) per share		
from continuing operations	**2,668**	20,571
from discontinued operation	**5,228**	(64,372)
From continuing and discontinued operations	**7,896**	(43,801)

No diluted earnings/(loss) per share is presented as there were no potential ordinary shares in issue for both years.

8. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables, net	**470,228**	460,212
Bill receivables	**54,607**	73,496
Total trade and bill receivables	**524,835**	533,708
Other receivables	**25,537**	108,096
Less: allowance for impairment of bad and doubtful debts	**(14,745)**	(21,009)
	10,792	87,087
Prepayments	**42,125**	30,707
Deposit paid for purchase of property, plant and equipment	**19,996**	–
Amounts due from related parties	**128**	82
	597,876	651,584
Analysed for reporting purpose as:		
Non-current	**19,996**	–
Current	**577,880**	651,584
	597,876	651,584

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

The Group grants an average credit period of 90 days to 120 days to customers. An aging analysis of the trade and bills receivables at the end of the reporting period based on the past due date and net of allowance for impairment of bad and doubtful debts is as follows:

	2024	2023
	HK$'000	*HK$'000*
Current	**388,884**	388,168
0 to 3 months	**92,001**	97,450
4 to 6 months	**26,861**	32,124
7 to 9 months	**10,741**	7,093
Over 9 months	**6,348**	8,873
	524,835	533,708

9. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade and bills payables	**523,852**	536,550
Accruals and other payables	**98,856**	145,352
	622,708	681,902

The Directors consider that the carrying amounts of trade and other payables approximate to their fair values. All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The aging analysis of the Group's trade and bills payables at the end of the reporting period based on the date of invoice is as follows:

	2024	2023
	HK$'000	*HK$'000*
0 to 3 months	**379,051**	410,179
4 to 6 months	**99,249**	103,661
7 to 9 months	**16,942**	13,154
Over 9 months	**28,610**	9,556
	523,852	536,550

10. DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

11. DISPOSAL OF SUBSIDIARIES

(a) Disposal of PCB trading business in 2024

On 10 July 2024, Major Success Company Limited, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of 5,200 ordinary shares of the Target Company (representing 52% of the total number of its issued shares) at a cash consideration of approximately HK$52,993,000. Details were set out in the Circular and Announcement in relation to the Disposal of PCB Trading Business. Net assets of the Target Group at the date of disposal were as follows:

	2024
	HK$'000
Net assets disposed of:	
Property, plant and equipment	11,625
Right-of-use assets	223
Goodwill	3,896
Inventories	13,078
Trade and other receivables	97,873
Cash and bank balances	37,076
Trade and other payables	(66,044)
Lease liabilities	(232)
Current tax payable	(1,894)
Deferred tax liabilities	(2,081)
	93,520
Release of translation reserve upon disposal	1,803
Non-controlling interest	(44,890)
Gain on disposal of the Target Group	2,560
Total consideration	52,993

An analysis of net inflow of cash and bank balances in respect of disposal of the Target Group is as follows:	
Cash consideration received	52,993
Cash and bank balances disposed of	(37,076)
Net proceeds from disposal of the Target Group	15,917

(b) Disposal of PCB processing business in 2023

On 16 October 2023, the Group agreed to sell the entire share capital of GB HK and the entire equity interest in GB Shenzhen to Purchaser I and Purchaser II respectively, at the respective consideration of HK$1 and approximately RMB137,000,000, subject to the Price Adjustment. On 27 May 2024, Purchaser II has settled the Final Instalment in full, and all transactions under the Disposals have been completed in accordance with the MOU, the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Confirmation. Details were set out in the Circular and Announcements in relation to the Disposal of PCB Processing Business. Net assets of GB Subsidiaries at the date of disposal were as follows:

	2023 *HK$'000*
Net assets disposed of:	
Property, plant and equipment	32,689
Right-of-use assets	13,938
Deferred tax assets	572
Inventories	37,028
Trade and other receivables	162,036
Cash and bank balances	62,172
Trade and other payables	(74,368)
Lease liabilities	(17,605)
	216,462
Release of translation reserve upon disposal	8,568
Non-controlling interest	(35,009)
Expenses related to the disposal	1,213
Loss on disposal of GB Subsidiaries	(46,151)
Total consideration	145,083
Consideration:	
Cash received	76,940
Consideration receivable (included in other receivables)	68,143
	145,083
An analysis of net inflow of cash and bank balances in respect of disposal of GB Subsidiaries is as follows:	
Cash received	76,940
Expenses related to the disposal	(1,213)
Cash and bank balances disposed of	(62,172)
Net proceeds from disposal of GB Subsidiaries	13,555

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS – CONTINUING OPERATIONS

Revenue

The revenue of the Group for the year ended 31 December 2024 was approximately HK$1,865,354,000 (2023: approximately HK$1,723,747,000), an increase of 8.2% as compared with last year, which was mainly due to the significant increase in revenue of the machinery manufacturing business and plastic products processing and manufacturing business.

Gross profit

For the years ended 31 December 2024 and 2023, the gross profit of the Group amounted to approximately HK$344,921,000 and HK$332,558,000 with gross profit margin of 18.5% and 19.3%, respectively. Intensified industry competition caused the Group's gross profit margin to decline as compared with last year.

Other income, gain and loss

The net of other income, gain and loss of the Group for the year ended 31 December 2024 was approximately HK$35,180,000 (2023: approximately HK$16,212,000), an increase of 117.0% as compared with last year, which was mainly due to an increase in government grants and the positive impact of currency fluctuations during the year. The Group recorded a net exchange gain of approximately HK$8,466,000 for the year ended 31 December 2024 (2023: net exchange loss of approximately HK$3,525,000).

Selling and distribution costs

For the year ended 31 December 2024, the selling and distribution costs of the Group was approximately HK$179,088,000 (2023: approximately HK$155,498,000), and the selling and distribution costs to revenue was approximately 9.6% (2023: approximately 9.0%). The increase in selling and distribution costs was mainly due to increased selling expenses in oversea market expansion.

Administrative expenses

The administrative expenses of the Group for the year ended 31 December 2024 was approximately HK$173,099,000 (2023: approximately HK$157,219,000), an increase of 10.1% as compared with last year due to rising staff costs.

Finance costs

The finance costs of the Group for the year ended 31 December 2024 was approximately HK$13,838,000 (2023: approximately HK$14,922,000), a decrease of 7.3% as compared with last year due to the repayment of part of the bank borrowings during the year.

BUSINESS REVIEW

Machinery Manufacturing Business

Surrounded by a complex and volatile global economic environment and intensifying market competition, sales and orders in the injection molding machine ("**IMM**") manufacturing business have both increased compared to last year, especially in the first quarter. However, since the second quarter, this business has faced three major challenges in the domestic market: declining demand, weakening investment sentiment and intensified industry competition, all of which have impacted order growth. Despite these pressures and challenges, including a continuous downturn in the real estate market, excess capacity across various industries and tightening domestic consumer spending, this business has experienced growth in sales and orders, though it has not yet reached anticipated levels. A critical factor affecting profitability has been the escalating price wars among industry peers. Additionally, the export business has remained stable compared to last year, despite geopolitical factors leading to weak economic recovery in specific regions and fluctuations in exchange rates.

This year, this business has continued to invest in various research and development projects, and optimization initiatives, including the optimized standard IMM (SeKIII series), the high-end precision energy-saving IMM (Se5H series), the Polyethylene Terephthalate (PET) high-speed solution series, and the optimization and upgrade of the two-platen IMM (JSeIII series). These initiatives focus on adapting to market demands to enhance product competitiveness. Throughout the year, sales revenue has been primarily driven by small and medium-sized IMMs, particularly the SeKII/S, SeIII, and PET series. The high-end energy-saving IMMs, Se5 and Se5H series, introduced last year and this year, respectively, have also performed well. Industry applications in daily necessities, household appliances and PET preform industries have recorded growth, with the PET preform industry maintaining momentum from last year. The ultra-large two-platen IMM (JSeII series) has benefited from stable demand in the household appliances industry. Benefitting on market development efforts over the past two years, electric IMMs (D and HD series) have secured significant orders in the new energy automotive and medical industries since the third quarter. The launch of our first ultra-large electric IMM (1100HD) has further laid the foundation for demand in the large electric machine market.

Moreover, this business has actively promoted corporate digital transformation by comprehensively deploying and integrating various system modules, including Supplier Relationship Management (SRM), Warehouse Management System (WMS), Customer Relationship Management (CRM), and Product Lifecycle Management (PLM), based on existing digital systems, and upgrading Manufacturing Execution System (MES) modules. These upgrades are expected to be fully operational at the beginning of next year, further enhancing production management efficiency and quality tracking capabilities. Meanwhile, the launch of the fully automated smart warehouse system will significantly improve site utilization, reduce labour costs, and increase the accuracy and efficiency of material management. Furthermore, this business has continuously recruited and trained young talent to prepare for future needs and support long-term development.

In the face of an uncertain market and political environment in the coming year, this business will remain steadfastly focused on market and customer needs. We strive to maintain growth, enhance efficiency, stabilize quality, and reduce costs while continuously pursuing dual-track growth in our business. In the standard machine market, the updated and optimized SeKIII, JSeIII, and Se5 series are expected to gradually expand their market share in this highly competitive environment. For specialized niche markets, this business is committed to promoting dedicated machine solutions. The PET and high-speed energy-saving (Sec series) solutions target the packaging industry, while the polypropylene (PP) solution series focuses on the medical packaging industry. Additionally, the electric IMMs (D and HD series) and two-platen IMMs (JSeIII series) aim at the consumer electronics, electric vehicles, and household appliances industries. We will actively participate in regional industry exhibitions and technical forums, continue to plan regional marketing and show rooms, and persistently expand our overseas market presence, to enhance brand influence.

Furthermore, management will implement a series of efficiency enhancement and cost reduction measures to boost per capita output and reduce material costs. We will launch an enterprise intelligent collaboration platform to improve management efficiency and streamline processes, thereby enhancing the profitability of this business. We will continue to invest in technical research and development, including the optimization and cost-reduction efforts, as well as the implementation of industry project systems that combine technology and sales initiated this year. This aims to stimulate the enthusiasm and initiative of the technical team in developing and promoting industry projects. For talent development, we will focus on recruiting engineering research and development and frontline sales teams. At the same time, training programs will emphasize comprehensive technical expertise, management skills, quality control, and process optimization.

Despite facing challenges such as weak demand in the overall machinery market in Mainland China and intense price competition, the extrusion and rubber injection molding machines and hydraulic presses manufacturing business achieved considerable sales growth this year. Our three main product lines recorded growth, with extrusion machines showing a particularly significant increase. In recent years, this business has revolved around a market strategy focused on specialized machines for niche applications, striving to improve product quality and gradually establishing a strong brand presence in selected niche markets, thereby gaining a favorable reputation. Meanwhile, we have placed greater emphasis on export markets, increasing investment in brand promotion and on-site customer visits, which lays a solid foundation for future export business growth.

This year, this business has benefited from its focus on innovation and demand in niche markets. Our solutions for insulator rubber and plastic injection molding machines, fully automatic hydraulic press systems for automotive braking, and extrusion production lines for electric vehicle oil pipelines have become our best-selling products.

In the coming year, our research and development team will concentrate on enhancing the unique design advantages of our products. Combined with overseas market brand promotion and business expansion efforts, we aim to drive rapid growth in key products that already possess a significant competitive edge, such as rubber track machines and automotive pipeline extrusion production lines. At the same time, we will pay more attention to continuously improving the reliability and stability of our products and will engage experts for on-site evaluation to enhance the quantitative assessment of product reliability, thereby strengthening the market competitiveness of our products. Furthermore, the upcoming implementation of a new digital management system will improve management and production efficiency.

Machinery Leasing Business

Amid the ongoing economic downturn and intensified industry competition, the machinery leasing business has adopted a stringent risk control strategy by strictly screening customers to reduce overall leasing exposure. Given the uncertain recovery of China's manufacturing industry in the coming year and increasing industry competition, we will maintain a cautious approach and prioritize financial risk management.

Plastic Products Processing and Manufacturing Business

Sales and profits of the plastic processing plant for food packaging in Zhuhai have decreased compared to last year. The sales to a major customer, a market leader in dairy products industry in Mainland China, were impacted by the slowdown in consumer spending and the declining birth rates. Other market segments, such as health products and adult milk powder, also faced increased competition due to the influx of new brands, leading to a reduction in customers' original market shares. Fierce price competition among dairy producers has also compressed our profitability. Overall, the performance of the export business remained flat compared to last year.

The promotion channels for this business have gradually shifted from a single traditional approach to a multi-channel strategy, combining online and offline methods, which has shown initial success. We have developed new customers across various countries and regions this year. Additionally, we have focused on research and development of new technologies and increased investment in new mold product development, tailoring our product solutions to meet the unique needs of different customers and striving to accurately match diverse market demands.

This business continues to focus on production efficiency and on-site quality management to ensure the delivery of high-quality products to our customers. We prioritize comprehensive quality production in all our operations. Key initiatives for on-site quality management include strengthening the maintenance of machinery and equipment to ensure stable production, upgrading visual inspection configurations, and deploying automated equipment to enhance production capacity as needed.

A seamless data flow has been created by integrating our self-developed production intelligence system, "iSee 4.0," with the Enterprise Resource Planning (ERP) system, laying the foundation for intelligent production and management. Moving forward, this business will continue to advance the digitalization of operational management, preparing for efficient management of both the northern and southern plants.

The opening of the new factory in Northern China has been delayed due to the industrial park's construction being behind schedule. Currently, the site is expected to be delivered in the first half of 2025. The completion of fixed decoration and equipment installation is planned for the second half of that year, with production gradually commencing in the first half of 2026.

Looking ahead, this business is committed to maintaining competitive product pricing while ensuring high-quality assurances to meet our customers' innovative development needs. We will continue to expand into diverse markets, including dairy products, health products, food, and pet supplies through multiple channels. Our commitment to green development will guide us in integrating sustainable practices into our production and design processes. At the same time, we will enhance team collaboration and efficiency through the ongoing implementation of digital management software.

The plastic component processing plant for household appliances in Hefei has recorded a slight increase in sales but a decrease in profits compared to last year. As domestic demand for household appliances in Mainland China has reached saturation in recent years, industry competition has remained fierce and price wars among peers have become the norm. To cope with this severe market environment, this business remains committed to improving product quality, automation, and intelligence, as well as deepening lean production management to ensure that production efficiency surpasses that of other industry peers.

In the first half of this year, this business successfully launched a new ERP system, achieving digital management of the production process and significantly improving the accuracy of material management and the rationality of labour allocation. This not only enhances machine utilization but also effectively reduces the product defect rate. As a result, overall inventory has reached a satisfactory level. In the second half of the year, the national stimulus policy of "trade-in" for household appliance along with the annual export growth of Chinese household appliances manufacturers, has helped us maintain a high volume of orders and successfully secure new projects with higher export specifications that require higher quality standards. Additionally, we developed a non-spraying process for Acrylonitrile Butadiene Styrene (ABS) materials that mimics a metallic surface, meeting customers' high-end product appearance requirements while eliminating the polluting and costly spraying process.

In the coming year, this business will continue to further enhance intelligent production, to reduce labour costs, handle diverse customer orders, shorten delivery times, and ensure quality standards that allow for inspection-free production. Under the anticipated economic downturn, the management team will actively track customers' new product plans and progress, including participating in technical development, providing quality solutions, and precisely controlling costs, to maintain steady order growth.

The blow molded mannequins production plant in Dongguan has recorded significant growth in sales and profits. This business has consistently focused on the niche market of environmentally friendly blow molded display mannequins over the years. We have earned the trust and support of our customers by offering high-quality products with advanced production techniques and a fast "concept-to-production" lead time, thereby enhancing our reputation and brand awareness. This year, we have developed several new customers, including well-known sporting apparel and fashion brands from various regions, laying a foundation for diversified and balanced development in the future. Furthermore, one of our major customers, a global sporting goods brand and retail chain, has commenced its global store upgrade plan early this year. We realized the processes from concept to mold sampling to mass production within a very short timeframe, resulting in record-high shipment volumes. Other customers, such as world-famous sports brands, were satisfied with our quality and responsiveness following our cooperation last year, leading to a significant increase in order intake this year.

Given the current strong growth momentum, this business will continue to invest in the development of low-carbon emission materials and innovative processes. Many leading global sports goods and fashion brands are clearly pursuing their commitment to using environmentally friendly and low-carbon materials in production. We have entered into a long-term cooperation agreement with an official materials research institute in Hong Kong, to co-develop plastic-reducing and low-carbon materials and associated processes. The Group will support this business in increasing capacity investments through various schemes, to achieve long-term sustainable development.

PCB Trading Business

The PCB trading business recorded comparable results in the first half of this year compared to the same period last year. However, it lacks further development prospects given its simple business model and low barriers to entry, and there is no synergy between this business and the other segments of the Group. Accordingly, the Group has determined that the PCB business will no longer be our core business going forward and resources of the Group will be focused on other segments with more potential for positive cash flow, thereby enhancing the Group's financial position. On 10 July 2024, the Group agreed to sell 52% of the total number of issued shares of the Target Company at a consideration of HK$52,993,165 to the Purchaser. On 21 August 2024, the conditions under the Sale and Purchase Agreement were fulfilled and the completion of the Disposal took place. Details were set out in the Circular and Announcement in relation to the Disposal of PCB Trading Business.

Industrial Consumables Trading Business

The industrial consumables trading business recorded slight growth in both sales and profits despite the complex and volatile business environment. This year, overall consumption in Mainland China remained weak, the real estate market continued to slump, and a reduction in export orders along with their relocation to other countries, has led to sluggish demand in many manufacturing industries. Intense price competition across various industries has impacted order volumes and profits. We recorded a significant decrease in orders in the machinery, solar equipment, lithium battery equipment, semi-conductor, consumer electronics and elevator industries, especially in the first half of the year. However, the government has released consumption stimulus policies and measures to boost financial market confidence in the second half of the year. Along with our team's proactive actions, we successfully seized opportunities, and our business performance improved accordingly. Industries such as household appliances, new energy vehicles, gasoline vehicles, lithium battery equipment, industrial robots, and semi-conductors have shown a notable rebound, driving the recovery in sales of servo transmission system components and precision steel products. Demand from high-end medical supplies customers has remained relatively stable throughout the year, promoting steady growth in our imports of specialized steel and metal wire products.

Our sales office and warehouse in Vietnam are now operational, enabling us to provide local supply and services to key customers. We will allocate resources to actively explore new customers and secure orders throughout Southeast Asia.

In an environment where opportunities and risks coexist, this business has adopted appropriate countermeasures for specific industries. For example, our team has prudently managed shipments and reduced financial exposure, to mitigate the short-term financial risks associated with the longer payment cycles of renewable energy equipment customers. As a result, the accounts receivable risk from these customers has decreased compared to last year.

This year, we have successfully identified and initiated several new supply sources and products, further enriching the variety and quality of our drive and control component offerings. Moving forward, we will continue to explore and attempt to develop new products and brands, aiming to seize opportunities flexibly in a volatile and competitive market. The outlook for the manufacturing market in Mainland China in the coming year remains uncertain. The ongoing Sino-US tensions show no signs of abating, and the tariff trade war continues to spread globally, leading to economic and financial risks and resulting in unstable domestic and international industrial demand. Price competition within the industry is expected to intensify. This business will rigorously manage financial risks while actively planning more technologically advanced product solutions to address the challenges posed by product homogenization.

Subsequent Events

There is no material event after the end of the reporting period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's total outstanding bank borrowings amounted to approximately HK$115,259,000 (31 December 2023: approximately HK$234,598,000), which comprised mainly bank loans and trade finance facilities. The bank borrowings repayable within one year, in the first to second year and in the second to fifth year amounted to approximately HK$106,759,000, HK$2,032,000 and HK$6,468,000, respectively (31 December 2023: approximately HK$229,358,000, HK$1,600,000 and HK$3,640,000, respectively).

After including lease liabilities of approximately HK$11,703,000 (31 December 2023: approximately HK$8,923,000) and deducting cash and bank balances of approximately HK$519,030,000 (31 December 2023: approximately HK$660,468,000), the Group's net cash amounted to approximately HK$392,068,000 (31 December 2023: approximately HK$416,947,000). Total equity attributable to equity shareholders of the Company as at 31 December 2024 was approximately HK$1,241,637,000 (31 December 2023: approximately HK$1,271,722,000).

The gearing ratio of the Group is measured as a total of bank indebtedness and lease liabilities less cash and bank balances and bank time deposit divided by net assets. The Group had a net cash position as at 31 December 2024 and 2023. As a result, no gearing ratio was presented.

The Group's consolidated financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this aspect. The Group continues monitoring its foreign exchange exposure in Japanese Yen and Renminbi, and enters into forward contracts when necessary. The Group's long-term bank loans were denominated mainly in Hong Kong dollars and carried interest at floating rates. Credit risk was hedged mainly through credit insurance.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

MATERIAL ACQUISITION AND DISPOSAL

On 27 May 2024, Purchaser II has settled the Final Instalment in full, and all transactions under the Disposals have been completed in accordance with the MOU, the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Confirmation. Following Completion, the Company ceased to have any interest in the GB Subsidiaries. Accordingly, the GB Subsidiaries ceased to be indirect non-wholly-owned subsidiaries of the Company and their financial results, assets and liabilities were no longer be consolidated in the Group's consolidated financial statements. Details were set out in the Circular and Announcements in relation to the Disposal of PCB Processing Business.

Save as disposal of PCB trading business disclosed in the heading of "Business Review" and save as above, there was no other material acquisition and disposal by the Group during the year ended 31 December 2024.

CAPITAL STRUCTURE

There was no change in the total number of issued Shares for the year ended 31 December 2024. The total number of issued Shares remained at 861,930,692 shares as at 31 December 2024.

EMPLOYEES, REMUNERATION POLICY AND TRAINING SCHEME

As at 31 December 2024, the Group had a total of 1,743 employees (31 December 2023: 1,717) located in Hong Kong and Mainland China, the ratio of women to men (excluding Directors) in the workforce was 29:71. Notwithstanding the foregoing, gender diversity for industrial business segment in which the Group operates may be less relevant due to the nature of work. However, the Group still managed to promote appropriate gender balance.

The Group have formulated talent development plan, which an approach to diversity concentrates on talent acquisition, progression and retention, in delivering a more diverse representation and endeavor to provide equal opportunity in recruitment, career development, promotion, reward and training to all employees.

The Group has formulated the remuneration policy of employees. The remuneration of employees is based on their qualifications, competence and performance as well as market trends. Employees' benefits include retirement benefits, medical insurance coverage, and various leave entitlements. The Group reviews the overall remuneration packages, including an element of discretionary bonuses, annually.

The emoluments of the Directors are determined by the Board based on the recommendation of the Remuneration Committee with reference to individual performance, qualifications and experience of the Directors, the duties and responsibilities of the Directors in the Company, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

The Group had provided training programmes or courses for employees of the Group, including employees at all levels from different departments in Mainland China and Hong Kong, and also for Directors, respectively, so as to further enhance their technical skills, professional skills and knowledge in production, operation and management.

OUTLOOK AND PROSPECTS

As we step into 2025, the Group anticipates a year filled with both challenges and opportunities. The business landscape continues to be marked by high levels of uncertainty and complexity. However, in Mainland China, the macro-economic outlook appears more encouraging than in 2024, largely due to a series of stimulating directives and policies from the central government.

The government's commitment to ensuring ample liquidity in the capital markets, alongside the forecast of relatively low interest rates for 2025, provides a more positive backdrop for economic activities. Noteworthy are the initial signs of effectiveness in boosting consumer spending through the "trade-in" policies, which particularly benefit industries such as consumer electronics, electric vehicles and household appliances. Additionally, there are indications that the housing crisis is stabilizing, with a potential recovery on the horizon. In March 2025, the "Report on the Work of the Government" released at the third session of the 14th National People's Congress clearly outlined the overall requirements and policy directions for economic and social development, as well as the government's work tasks. The main contents include a series of proactive policies, such as strongly promoting consumption, broadly expanding domestic demand, improving innovation efficiency, continually developing new quality productivity, and stabilizing foreign trade.

However, the challenges we face are multi-faceted. Unpredictable policies and hostilities from the United States, ongoing tariff wars, and the threat of sanctions affecting major global economies, all contribute to a complex international landscape. The increasing likelihood of the United States reversing its interest rate cuts adds another layer of uncertainty. Domestically, intensifying competition and price wars among industry peers are expected to continue.

The Group remains cautiously optimistic that, despite the challenges and uncertainties, significant opportunities exist in the dynamic Mainland China market and other regions. Industry leaders in Mainland China are poised to advance their products through continuous innovation, further capturing market shares from foreign competitors and driving new demand. Industries such as consumer electronics, electric vehicles, renewable energy, medical supplies and equipment, robotics, and packaging are likely to remain strong.

Investment sentiment in the manufacturing industry is expected to experience a slight rebound after the weak levels seen over the past couple of years. The rapid advancement and popularization of artificial intelligence (AI) will accelerate product innovation, enhance user experiences, and drive efficiencies. As equipment manufacturers, we are focusing our efforts on integrating AI into our products and internal systems to better serve our customers and stay ahead of the curve.

Moreover, we observe a clear trend towards sophisticated equipment users demanding tailored turnkey solutions. These users seek high energy efficiency, reduced direct labour costs, and enhanced connectivity of digital systems. Solutions tailored for specific applications are expected to improve productivity and automation through the integration of expertise in raw materials, thermal forming, and process controls. Our machinery manufacturing business will continue to focus on developing these turnkey solutions to meet our customers' evolving needs.

Our IMM manufacturing business will strive to expand sales both domestically and globally by launching enhanced versions of standardized and industry-specialized machines. Concurrently, our management team is intensifying efforts to optimize overall costs, thereby improving profitability. Our extrusion and rubber injection molding machines and hydraulic presses manufacturing business projects further growth by penetrating niche markets with our series of industry-specific customized solutions. The sales volume for our plastic products processing and manufacturing business is expected to remain relatively stable, barring any sudden demand shocks. However, to fend off industry competition, we will enhance production efficiencies, invest in additional production capacities, and focus on talent development. Our industrial consumables trading business aims to broaden its product portfolio by forming partnerships with new suppliers, integrating new products and solutions for our customers, and pursuing overseas expansion.

Internally, the Group has launched an enterprise intelligent collaboration platform, aimed at establishing an efficient channel for team collaboration, enhancing convenience and productivity, which will be deployed in phases. At the same time, we will continue to integrate various digital system modules, including ERP, CRM, PLM, WMS, MES and SRM, in order to ensure seamless linkage of all crucial enterprise data. We will maintain adequate investments in research and development, as well as in talent development, to sustain our competitive edge in products and services.

The overall financial health of the Group remains a priority. We will closely monitor receivables levels and associated risks, manage debt levels to meet our needs, and implement ongoing cost reduction initiatives.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to practicing and maintaining a high standard of corporate governance to enhance value of shareholders of the Company (the "**Shareholders**") and safeguard interests of Shareholders and other stakeholders, and reviews the corporate governance practices and procedures of the Group from time to time. In the opinion of the Board, the Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules ("**CG Code**") during the year ended 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code for Securities Transactions by Directors and Relevant Employees of Cosmos Machinery Enterprises Limited (the "**CMEL Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), serving as the Company's code of conduct and rules governing dealing by all Directors and relevant employees in the securities of the Company. All Directors have confirmed, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code and CMEL Code during the year ended 31 December 2024.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Wednesday, 18 June 2025. Notice of the AGM will be despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 11 June 2025 to Wednesday, 18 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 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 10 June 2025 for registration.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

PUBLICATION OF THE FINAL RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

The final results announcement of the Company is published on the websites of the Company at http://www.cosmel.com and the Stock Exchange at https://www.hkexnews.hk. The 2024 annual report of the Company will be published on the above websites and despatched to the Shareholders in due course.

By order of the Board
Cosmos Machinery Enterprises Limited
TANG To
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises six Directors, of which two are executive Directors, namely Mr. Tang To and Mr. Tang Yu, Freeman, one is non-executive Director, namely Mr. Kan Wai Wah, and three are independent non-executive Directors, namely Ms. Yeung Shuk Fan, Mr. Lam Kwok Ming and Mr. Lee Wai Yip, Alvin.