

# **Winning Tower Group Holdings Limited**

**運興泰集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8362)**

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

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of directors (the “**Board**”) of Winning Tower Group Holdings Limited (the “**Company**”) is pleased to announce the 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 results for the previous year:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
REVENUE	4	<b>108,520</b>	108,383
Cost of inventories consumed		<b>(61,792)</b>	(58,262)
Other income and gains		<b>3,720</b>	1,785
Employee benefit expenses		<b>(24,900)</b>	(27,281)
Depreciation		<b>(6,910)</b>	(7,810)
Transportation and storage fee		<b>(2,015)</b>	(2,126)
Utilities and consumables		<b>(4,204)</b>	(5,393)
Rental and related expenses		<b>(1,182)</b>	(1,466)
Impairment of property, plant and equipment		–	(801)
Other operating expenses, net		<b>(9,534)</b>	(9,565)
<b>PROFIT/(LOSS) BEFORE TAX FROM OPERATIONS</b>		<b>1,703</b>	(2,536)
Finance costs		<b>(258)</b>	(439)
<b>PROFIT/(LOSS) BEFORE TAX</b>	5	<b>1,445</b>	(2,975)
Income tax expense	6	<b>(565)</b>	(129)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>880</b>	(3,104)
Attributable to:			
Owners of the Company		<b>296</b>	(3,199)
Non-controlling interests		<b>584</b>	95
		<b>880</b>	(3,104)
<b>EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
– Basic and diluted ( <i>expressed in HK cents per share</i> )	8	<b>0.02</b>	(0.23)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PROFIT/(LOSS) FOR THE YEAR	<u>880</u>	<u>(3,104)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Revaluation surplus, net	<b>614</b>	100
Deferred tax charged to asset revaluation reserve	<u>(101)</u>	<u>(16)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>513</u>	<u>84</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><b>1,393</b></u>	<u><b>(3,020)</b></u>
Attributable to:		
Owners of the Company	<b>809</b>	(3,115)
Non-controlling interests	<u>584</u>	<u>95</u>
	<u><b>1,393</b></u>	<u><b>(3,020)</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>26,231</b>	27,025
Right-of-use assets		<b>51,193</b>	53,856
Goodwill		<b>–</b>	–
Prepayments, deposits and other receivables		<b>130</b>	1,305
Deferred tax assets		<b>1,634</b>	2,199
		<hr/>	<hr/>
Total non-current assets		<b>79,188</b>	84,385
<b>CURRENT ASSETS</b>			
Inventories		<b>4,679</b>	5,612
Trade receivables	9	<b>11,795</b>	15,922
Prepayments, deposits and other receivables		<b>3,194</b>	4,392
Due from related companies		<b>36</b>	34
Cash and cash equivalents		<b>13,155</b>	10,283
		<hr/>	<hr/>
Total current assets		<b>32,859</b>	36,243
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	<b>3,866</b>	5,664
Other payables and accruals		<b>7,090</b>	11,271
Interest-bearing bank borrowings	11	<b>372</b>	698
Lease liabilities		<b>2,888</b>	4,824
		<hr/>	<hr/>
Total current liabilities		<b>14,216</b>	22,457
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		<b>18,643</b>	13,786
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/>	<hr/>
		<b>97,831</b>	98,171

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals		–	600
Interest-bearing bank borrowings	11	<b>1,827</b>	2,200
Lease liabilities		<b>1,330</b>	2,158
Deferred tax liabilities		<b>6,458</b>	6,357
		<hr/>	<hr/>
Total non-current liabilities		<b>9,615</b>	11,315
		<hr/>	<hr/>
Net assets		<b>88,216</b>	86,856
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>14,000</b>	14,000
Reserves		<b>76,798</b>	78,230
		<hr/>	<hr/>
		<b>90,798</b>	92,230
Non-controlling interests		<b>(2,582)</b>	(5,374)
		<hr/>	<hr/>
Total equity		<b>88,216</b>	86,856
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Flat 3, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in the processing and trading of raw, frozen and cooked food products (which includes the provision of transportation services) and the operation of restaurants. In the opinion of the Company's directors, the ultimate holding company of the Company is Keyview Ventures Limited ("**Keyview Ventures**"), a company incorporated in the British Virgin Islands with limited liability.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land and owned buildings held for the Group's own use classified as right-of-use assets and property, plant and equipment, respectively, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK\$**") and all values are rounded to the nearest thousand except when otherwise indicated.

### 2.2 Changes in accounting policies and disclosures

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

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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

- (a) 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.

- (b) 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.

- (c) 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 financial statements.

### **3. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) processing and trading of food products (which includes the transportation services); and
- (b) restaurant operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, 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, income from waiver of loan from a non-controlling shareholder and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude cash and cash equivalents as these assets are managed on group basis.

Segment liabilities exclude interest-bearing bank borrowings (other than bank overdrafts) as the liabilities are managed on group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

(a) **Operating segment information**

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2024 and 2023.

*Segment revenue*

	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue ( <i>note 4</i> )						
Sales to external customers	90,905	79,073	17,615	29,310	108,520	108,383
Intersegment sales	1,656	2,254	-	-	1,656	2,254
Total segment revenue	<u>92,561</u>	<u>81,327</u>	<u>17,615</u>	<u>29,310</u>	<u>110,176</u>	110,637
<b>Reconciliation:</b>						
Elimination of intersegment sales					<u>(1,656)</u>	<u>(2,254)</u>
Revenue					<u>108,520</u>	<u>108,383</u>
Segment results	<u>(3,032)</u>	<u>(4,581)</u>	<u>1,999</u>	<u>1,421</u>	<u>(1,033)</u>	<u>(3,160)</u>
Interest income					155	289
Waiver of loan from a non-controlling shareholder					2,450	-
Finance costs (other than interest on leases liabilities)					<u>(127)</u>	<u>(104)</u>
Profit/(loss) before tax					1,445	(2,975)
Income tax expense					<u>(565)</u>	<u>(129)</u>
Profit/(loss) for the year					<u>880</u>	<u>(3,104)</u>



*Segment assets/liabilities*

	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2024	2023	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	<u>106,379</u>	<u>115,472</u>	<u>1,611</u>	<u>4,826</u>	<u>107,990</u>	120,298
<b>Reconciliation:</b>						
Elimination of intersegment receivables					(9,098)	(9,953)
Corporate and other unallocated assets					<u>13,155</u>	<u>10,283</u>
Total assets					<u>112,047</u>	<u>120,628</u>
Segment liabilities	<u>16,456</u>	<u>18,562</u>	<u>14,274</u>	<u>22,608</u>	<u>30,730</u>	41,170
<b>Reconciliation:</b>						
Elimination of intersegment payables					(9,098)	(9,953)
Corporate and other unallocated liabilities					<u>2,199</u>	<u>2,555</u>
Total liabilities					<u>23,831</u>	<u>33,772</u>
<b>Other segment information:</b>						
Depreciation of items of property, plant and equipment	2,367	2,245	618	801	2,985	3,046
Depreciation of right-of-use assets	3,294	3,304	631	1,460	3,925	4,764
Impairment of property, plant and equipment	-	-	-	801	-	801
Impairment/(reversal of impairment) of trade receivables, net	(99)	28	(1)	-	(100)	28
Gain on lease modification	-	-	-	(1,265)	-	(1,265)
Loss on disposal of items of property, plant and equipment	-	-	6	-	6	-
Additions of property, plant and equipment	<u>545</u>	<u>136</u>	<u>61</u>	<u>-</u>	<u>606</u>	<u>136</u>

**(b) Geographical information**

Since all of the Group's revenue from external customers is generated from businesses conducted in Hong Kong and all of the Group's non-current assets are located in Hong Kong, no further analysis on the geographical information thereof is presented.

**(c) Information about major customers**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Processing and trading of food products segment (which includes the transportation services) Customer A	<u><u>39,718</u></u>	<u><u>30,640</u></u>

**4. REVENUE**

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers	<u><u>108,520</u></u>	<u><u>108,383</u></u>

**Revenue from contracts with customers**

**(a) Disaggregated revenue information**

Segments	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Types of goods or services</b>						
Sales of food products	90,820	78,992	-	-	90,820	78,992
Income from the provision of transportation services	85	81	-	-	85	81
Income from the operation of restaurants	<u>-</u>	<u>-</u>	<u>17,615</u>	<u>29,310</u>	<u>17,615</u>	<u>29,310</u>
Total	<u><u>90,905</u></u>	<u><u>79,073</u></u>	<u><u>17,615</u></u>	<u><u>29,310</u></u>	<u><u>108,520</u></u>	<u><u>108,383</u></u>
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	90,820	78,992	17,615	29,310	108,435	108,302
Services transferred over time	<u>85</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>81</u>
Total	<u><u>90,905</u></u>	<u><u>79,073</u></u>	<u><u>17,615</u></u>	<u><u>29,310</u></u>	<u><u>108,520</u></u>	<u><u>108,383</u></u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of food products*

The Group sells goods to wholesalers and individual retailers. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 45 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

*Restaurant operation*

The performance obligation for restaurant operation is satisfied upon (i) completion of the services; or (ii) delivery of the food. Payment is generally due immediately or within 30 days from delivery.

*Provision of transportation services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 45 days from the date of billing.

## 5. PROFIT/(LOSS) BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of inventories consumed	<u>61,792</u>	<u>58,262</u>
Depreciation of property, plant and equipment	2,985	3,046
Depreciation of right-of-use assets	<u>3,925</u>	<u>4,764</u>
Total depreciation	<u>6,910</u>	<u>7,810</u>
Rental and related expenses	<u>1,182</u>	<u>1,466</u>
Directors' remuneration	4,748	4,500
Employee benefit expenses (excluding directors' remuneration):		
Salaries, wages and other benefits	19,308	21,838
Pension scheme contributions (defined contribution scheme)*	<u>844</u>	<u>943</u>
Total employee benefit expenses	<u>24,900</u>	<u>27,281</u>
Auditor's remuneration#	1,238	1,295
Professional fee#	1,876	1,203
Insurance#	804	909
Repairing and maintenance#	1,313	1,332
Cleaning#	822	1,329
Loss on disposal of items of property, plant and equipment#	6	–
Impairment/(reversal of impairment) of trade receivables, net#	(100)	28
Impairment of property, plant and equipment	<u>–</u>	<u>801</u>

# These balances are included in "Other operating expenses, net" in the consolidated statement of profit or loss.

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits, if any, of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deferred	<u>565</u>	<u>129</u>

## 7. DIVIDEND

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

## 8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings/(loss)</b>		
Profit/(loss) for the year attributable to owners of the Company used in the basic earnings/(loss) per share calculation	<u>296</u>	<u>(3,199)</u>
	<b>Number of shares</b>	
	2024	2023
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation ('000)	<u>1,400,000</u>	<u>1,400,000</u>
<b>Earnings/(loss) per share</b>		
Basic ( <i>HK cents</i> )	<u>0.02</u>	<u>(0.23)</u>

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

## 9. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables from:		
Third party customers	11,345	15,471
Related companies	862	963
	<u>12,207</u>	<u>16,434</u>
Impairment	(412)	(512)
	<u>11,795</u>	<u>15,922</u>
Net carrying amount	<u><u>11,795</u></u>	<u><u>15,922</u></u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	6,851	7,364
1 to 2 months	3,828	4,555
2 to 3 months	1,116	2,654
Over 3 months	–	1,349
	<u>11,795</u>	<u>15,922</u>
Total	<u><u>11,795</u></u>	<u><u>15,922</u></u>

## 10. TRADE AND BILLS PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables to:		
Third party suppliers	3,327	3,601
Related companies		
– Guangzhou Ge Yun Trading Co., Limited	–	183
– Rong Zhi (Hong Kong) Company Limited	539	–
	<u>3,866</u>	<u>3,784</u>
Subtotal	<u>3,866</u>	<u>3,784</u>
Bills payable	–	1,880
Total trade and bills payables	<u><u>3,866</u></u>	<u><u>5,664</u></u>

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on invoice date, is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Within 1 month	<b>3,866</b>	5,629
1 to 2 months	–	35
Total	<b><u>3,866</u></b>	<b><u>5,664</u></b>

The trade payables are non-interest-bearing and are normally settled on 30 to 60 days terms.

In the prior year, the bills payable were secured, interest-bearing at 2.95% to 3.83% and repayable within three months.

#### 11. INTEREST-BEARING BANK BORROWINGS

	<b>2024</b>			2023		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
<b>Current</b>						
Bank overdrafts – secured	–	–	–	1.35 above prime rate	On demand	343
Bank loan – secured	<b>3.00 below prime rate</b>	<b>2025</b>	<b>372</b>	3.00 below prime rate	2024	355
Total – current			<b><u>372</u></b>			<b><u>698</u></b>
<b>Non-current</b>						
Bank loan – secured	<b>3.00 below prime rate</b>	<b>2026–2030</b>	<b>1,827</b>	3.00 below prime rate	2025–2030	2,200
Total			<b><u>2,199</u></b>			<b><u>2,898</u></b>

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Analysed into:		
Bank loan and overdrafts repayable:		
Within one year or on demand	<b>372</b>	698
In the second year	<b>381</b>	366
In the third to fifth years, inclusive	<b>1,202</b>	1,171
Beyond five years	<b>244</b>	663
Total	<b><u>2,199</u></b>	<b><u>2,898</u></b>

The bank loans and overdrafts of the Group are denominated in Hong Kong dollars. They are secured by the mortgages over the Group's leasehold land and owned buildings, which had an aggregate carrying value of HK\$55,570,000 (2023: HK\$57,500,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Winning Tower Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of restaurants in Hong Kong.

On 30 June 2017 (the “**Listing Date**”), the Company was successfully listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 350,000,000 shares (or 25% of the total issued shares) were allotted and sold to the public at HK\$0.2 per share and a total of approximately HK\$39.9 million was successfully raised.

On 24 May 2019, Winning Tower Group Limited (“**Winning Tower Group**”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Wing Si Worldwide Holdings Limited (“**Wing Si**”) pursuant to which Winning Tower Group is interested as to 55% and Wing Si is interested as to 45% of the joint venture Winning Wings Limited (“**Winning Wings**”), which is the vehicle for their participation in catering and food business in Hong Kong. For details, please refer to the announcement of the Company dated 24 May 2019.

On 2 June 2021 (after trading hours), a joint venture agreement (the “**Joint Venture Agreement**”) was entered into between Winning Tower Group, Skyye Limited (“**Skyye**”) and Dynasty Time Limited (the “**Joint Venture**”), pursuant to which, among others: (i) the Joint Venture shall act as a corporate vehicle for the joint participation of Winning Tower Group and Skyye in the catering and food business in Hong Kong. The Joint Venture was incorporated in Hong Kong with limited liability on 1 April 2021 and is currently owned as to 60% by Winning Tower Group and as to 40% by Skyye, respectively; and (ii) Winning Tower Group and Skyye conditionally agreed to provide an initial funding to the Joint Venture by way of loan at HK\$3,000,000 for the purpose of setting up the first Joint Venture’s restaurant in Hong Kong, while the respective amount contributed by each of Winning Tower Group and Skyye shall be in proportion to their respective shareholdings in the Joint Venture at HK\$1,800,000 and HK\$1,200,000, respectively. On 10 May 2021, the Joint Venture entered into a tenancy agreement (the “**Tenancy Agreement**”) as tenant in respect of the lease of a premises for a term of three years commencing on 15 May 2021 and expiring on 14 May 2024 (both days inclusive) for the operation of the first Joint Venture’s restaurant in Hong Kong under the Joint Venture Agreement.

Pursuant to the Joint Venture Agreement, the Group will be the main supplier of all food and beverage ingredients for all the restaurant(s) of the Joint Venture. Being the main supplier to the Joint Venture, our Directors consider that the future sales and revenue of the Group will be strengthened. The Directors are of the view that the entering into of the Tenancy Agreement and the terms and conditions thereof are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.



More details regarding the transactions mentioned above can be found in the announcement of the Company dated 2 June 2021.

On 1 August 2024, the Joint Venture Agreement terminated due to Winning Tower Group acquiring 40% shares of the Joint Venture from Skyye. Therefore, the Joint Venture became a wholly owned subsidiary of Winning Tower Group.

The Group will continue to develop by maintaining its customer base while exploring any new business opportunities and expanding its business capacity by increasing its refrigeration capacity.

	<b>Planned business objective</b>	<b>Actual business progress</b>
To continue to maintain the relations of the existing customers	To offer more tailor-made products and services To broaden our customer base into more restaurants and hotels	Commenced research and development discussion on new products with potential and existing customers
To maintain logistics capacity	To maintain logistics capacity	Redesigned logistics routes and arrangements to maintain logistics capacity

## **RESULTS AND FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2024, the Group recorded approximately HK\$108.5 million revenue as compared with last year's corresponding period of approximately HK\$108.4 million, representing an increase of approximately 0.1%. Of which, approximately HK\$90.9 million was contributed from processing and trading of food products (which includes provision of transportation services) (2023: HK\$79.1 million) and approximately HK\$17.6 million was from restaurant operation (2023: HK\$29.3 million). The increase in turnover was mainly due to the pick-up in demand of food products as a result of the rising of the need for airline catering services but was partly offset as a result of the decrease in restaurant operation because the Group operated less restaurants and the weak demand in retail catering business.

### **Cost of inventories consumed and profit/(loss) before tax from operations**

For the year ended 31 December 2024, the Group's total cost of inventories consumed amounted to approximately HK\$61.8 million, (2023: HK\$58.3 million), of which, approximately HK\$58.8 million was from processed food business (2023: HK\$51.7 million) and the remaining approximately HK\$3.0 million was from restaurant operation (2023: HK\$6.6 million). Profit before tax from operations was approximately HK\$1.7 million, while that in last year's corresponding period recorded a loss before tax from operations of approximately HK\$2.5 million.

### **Employee benefit expenses**

For the year ended 31 December 2024, the Group's employee benefit expenses decreased to approximately HK\$24.9 million from last year's corresponding period's approximately HK\$27.3 million which was due to the reduction in employees in operation of restaurants.

### **Income tax expense**

For the year ended 31 December 2024, the Group's income tax expense was approximately HK\$0.6 million while last year's income tax expense was HK\$0.1 million. The change in income tax expense was the derecognition of deferred tax assets.

### **Profit/(loss) for the year**

Based on the above reasons, for the year ended 31 December 2024, the Group recorded a net profit for the year of approximately HK\$0.9 million versus a net loss of approximately HK\$3.1 million of last year's corresponding period.

## **FINANCIAL KEY PERFORMANCE**

The above financial data were chosen to present in this annual results announcement as they represent a material financial impact on the financial statements of the Group for the current and/or the previous financial year, with that a change of which could affect the revenue and profit conspicuously. It is believed that by presenting the changes of these financial data can effectively explain the financial performance of the Group for the year ended 31 December 2024.

### **Liquidity and financial resources**

As at 31 December 2024, the Group had net current assets of approximately HK\$18.6 million (2023: HK\$13.8 million), of which cash and cash equivalents consisted of approximately HK\$13.2 million (2023: approximately HK\$10.3 million). The Group had a bank borrowings and overdrafts amounted to approximately HK\$2.2 million (2023: approximately HK\$2.9 million).

### **Gearing ratio**

As at 31 December 2024, the Group's gearing ratio was approximately 2.4% (2023: 3.1%), which is calculated based on the Group's bank borrowings and overdrafts of approximately HK\$2.2 million (2023: HK\$2.9 million) and the equity attributable to owners of the Company of approximately HK\$90.8 million (2023: HK\$92.2 million).

## **Capital structure**

As at 31 December 2024, the Company had 1,400,000,000 issued shares at HK\$0.01 each. There has been no change in the Company's capital structure during the financial year under review.

## **Treasury policy**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintains sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

## **Charge of assets**

As at 31 December 2024, the Group's leasehold land and owned buildings held for own use with a net carrying amount of approximately HK\$55.6 million (2023: HK\$57.5 million) have been pledged to secure banking facilities granted to the Group.

## **Currency risk**

As at 31 December 2024, the Group did not have material currency risk exposures as most of the Group's transactions carried out are denominated in Hong Kong dollars and US dollars which either Hong Kong dollars are pegged with or has been maintaining a stable currency rate for a long time.

## **Capital commitments**

As at 31 December 2024, the Group did not have any material capital commitments (2023: Nil).

## **Contingent liabilities**

As at 31 December 2024, the Group did not have any material contingent liabilities (2023: Nil).

## **Event after report date**

There were no any significant events occurring after the year ended 31 December 2024.

## **Material acquisitions and disposals of subsidiaries and affiliated companies**

As at 31 December 2024, the Group did not have material acquisitions and disposals of subsidiaries and affiliated companies.

## **Major and connected transactions**

On 2 July 2019, Winning Tower Group, an indirect wholly-owned subsidiary of the Company, entered into property disposal agreements (the “**Property Disposal Agreements**”) with Iao Ip Property Investment Limited (“**Iao Ip Property**”), pursuant to which Iao Ip Property had conditionally agreed to acquire and Winning Tower Group had conditionally agreed to sell two properties, namely, units 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the “**Properties**”) while the consideration about the sale and purchase of the Properties at the aggregated consideration of HK\$45,516,400. Of which, the consideration of units 803 and 808 was HK\$27,645,000 and HK\$17,871,400 respectively. Pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the respective leasing agreements (the “**Leasing Agreements**”) where Iao Ip Property as landlord should lease to Winning Tower Group as tenant the Properties for a term of three years commencing from the date which all the conditions precedents were fulfilled according to the Property Disposal Agreements. According to the Leasing Agreements, the rent for units 803 and 808 was HK\$87,300 and HK\$56,436 per month respectively, totaling HK\$143,736 per month, inclusive of property tax, management fee, government rent and rates but exclusive of water, gas and electricity charges.

As the Leasing Agreements expired, Winning Tower Group had, on 26 September 2022, entered new leasing agreements (the “**2022 Leasing Agreements**”) with Iao Ip Property for a term of three years from 30 September 2022 to 29 September 2025 (both days inclusive).

Iao Ip Property was owned as to 20% by Mr. Yu Ting Hei, a non-executive Director (“**Mr. Yu**”) and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. As such, Iao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules.

## **PURCHASE, REDEMPTION OR SALE OF SECURITIES**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year.

## **AUDIT COMMITTEE**

The Company has established an audit committee on 5 June 2017 with written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Lo Sun Tong (chairperson), Mr. Chau Chun Wai and Mr. Lam Lai Kiu Kelvin.

The primary duties of the audit committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The audit committee has reviewed this announcement and was in the opinion that such report has complied with the applicable accounting standards and adequate disclosures have been made.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 of the GEM Listing Rules.

The Board recognizes the value and importance of achieving high corporate governance standards and is committed to upholding good corporate standards and procedures for the best interest of the Company's shareholders. The Company was listed on 30 June 2017. To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the year ended 31 December 2024.

## **COMPANY SECRETARY**

The Board had appointed Mr. Tsang Hing Bun (“**Mr. Tsang**”) as the company secretary (the “**Company Secretary**”) and an authorized representative of the Company on 5 June 2017. From 1 August 2018, Mr. Tsang ceased to be an employee of the Company as required under code provision F.1.1 of the CG Code, the Company has assigned Mr. Lai Ho Yin Eldon, the executive Director, as the contact person with Mr. Tsang. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Tsang through the contact person assigned. Hence, all Directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision F.1.4 of the CG Code. Having in place a mechanism that Mr. Tsang will be informed of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Tsang as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations. For the reporting period, Mr. Tsang has duly complied with the relevant professional training requirement under Rule 5.15 of the GEM Listing Rules.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. To ensure a balance of power and authority, the Company fully supports the division of responsibility between the chairman and the chief executive officer. The roles of the chairman and the chief executive officer are segregated and performed by Mr. Lai King Wah and Mr. Lai Ho Yin Eldon respectively.

## COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the period from the day of listing to 31 December 2024 with the following exception.

On 1 August 2024, Mr. Zhong Yuhua (“**Mr. Zhong**”) and Ms. Ou Honglian (“**Ms. Ou**”) (both being the non-executive Directors) through Keyview Ventures Limited (“**Keyview**”) disposed of 70,000,000 shares of the Company, while Mr. Lai Ho Yin Eldon (“**Mr. Eldon Lai**”), Mr. Ho Timothy Kin Wah (“**Mr. Ho**”) and Mr. Yu Ting Hei (“**Mr. Yu**”) (being the Directors) altogether acquired the same number of shares (collectively the “**Dealings**”).

In early 2024, the Company was involved in a mandatory unconditional cash offer by, among others, Mr. Zhong and Ms. Ou to acquire all the issued share capital of the Company which was completed in May 2024 (“**General Offer**”). After the General Offer in around end of June 2024, discussions began between Mr. Zhong and Ms. Ou on one hand, and Mr. Eldon Lai, Mr. Ho and Mr. Yu on the other hand, for Mr. Eldon Lai, Mr. Ho and Mr. Yu to acquire small amounts of shares of the Company from Keyview, the reason of which was to demonstrate that the young board members are confident about the future business development of the Company after the takeover of the Company by Mr. Zhong and his family. The share price of the Dealings was the same as the offer price for each offer share under the General Offer, i.e. HK\$0.052 per share.

Due to miscommunication, the relevant Directors were not aware of the fact that the blackout period had already commenced whereby the notice of blackout period had been submitted to the Stock Exchange on 12 July 2024 and the Dealings occurred during the blackout period. The non-compliance was not deliberate and completely unintentional.

In light of the background of breach of GEM Rule 5.56(a)(ii), the Company has, among others, set up measures on giving notice to the Directors regarding blackout period to ensure they comply with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

## **REVIEW OF ANNUAL RESULTS**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

By order of the Board  
**Winning Tower Group Holdings Limited**  
**Lai King Wah**  
*Chairman and Executive Director*

Hong Kong, 20 March 2025

*As at the date of this announcement, the executive directors are Mr. Lai King Wah, Mr. Lai Ho Yin Eldon and Mr. Ho Timothy Kin Wah; the non-executive directors are Mr. Yu Ting Hei, Mr. Zhong Yuhua and Ms. Ou Honglian; and the independent non-executive directors are Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at <https://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at [www.wtgl.hk](http://www.wtgl.hk).*