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## **JISHENG GROUP HOLDINGS LIMITED**

### **吉盛集團控股有限公司**

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

**(Stock Code: 8133)**

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

### **FINANCIAL HIGHLIGHTS**

- Revenue decreased by approximately 16.8% to approximately HK\$44.7 million (2023: approximately HK\$53.8 million)
- Gross profit increased by approximately 12.7% to approximately HK\$15.8 million (2023: approximately HK\$14.0 million)
- Loss for the year of approximately HK\$1.4 million (2023: loss for the year of approximately HK\$1.4 million)
- Basic loss per share of approximately HK5.09 cents (2023: basic loss per share of approximately HK16.13 cents)
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil)

The board (the “Board”) of directors (the “Directors”) of Jisheng 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 figures for the year ended 31 December 2023 as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>Continuing Operations</b>			
<b>Revenue</b>	4	<b>44,728</b>	53,776
Cost of sales		<u>(28,925)</u>	<u>(39,754)</u>
<b>Gross profit</b>		<b>15,803</b>	14,022
Other income	5	<b>1,476</b>	372
Selling and distribution expenses		<b>(3,168)</b>	(3,311)
Administrative expenses		<b>(15,056)</b>	(17,982)
Finance costs	6	<u><b>(523)</b></u>	<u>(559)</u>
<b>Loss before taxation</b>		<b>(1,468)</b>	(7,458)
Income tax expense	7	<u>–</u>	<u>–</u>
<b>Loss for the year from Continuing Operations</b>	8	<u><b>(1,468)</b></u>	<u>(7,458)</u>
<b>Discontinued Operation</b>			
Profit (loss) for the year from Discontinued Operation		<u>–</u>	<u>6,034</u>
<b>Loss for the year</b>		<u><b>(1,468)</b></u>	<u>(1,424)</u>
<b>Other comprehensive expense for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences on translation of financial statements of a foreign operation, net of tax		<b>15</b>	(405)
– Reclassification of cumulative translation reserve upon disposal of subsidiaries to profit or loss		<u><b>(5)</b></u>	<u>–</u>
<b>Total comprehensive expense for the year</b>		<u><b>(1,458)</b></u>	<u>(1,829)</u>
 (Loss) profit for the year attributable to owners of the Company:			
– From Continuing Operations		<b>(1,942)</b>	(6,898)
– From Discontinued Operation		<u>–</u>	<u>1,855</u>
		<u><b>(1,942)</b></u>	<u>(5,043)</u>

	<b>2024</b>	2023
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Profit (loss) for the year attributable to non-controlling interests:		
– From Continuing Operations	<b>474</b>	(560)
– From Discontinued Operation	–	4,179
	<u>474</u>	<u>3,619</u>
Loss for the year	<u><b>(1,468)</b></u>	<u>(1,424)</u>
Total comprehensive income (expense) for the year attributable to owners of the Company:		
– From Continuing Operations	<b>(1,932)</b>	(7,303)
– From Discontinued Operation	–	1,855
	<u><b>(1,932)</b></u>	<u>(5,448)</u>
Total comprehensive income (expense) for the year attributable to non-controlling interests:		
– From Continuing Operations	<b>474</b>	(560)
– From Discontinued Operation	–	4,179
	<u>474</u>	<u>3,619</u>
<b>Total comprehensive expense for the year</b>	<u><b>(1,458)</b></u>	<u>(1,829)</u>
	<b><i>HK cents</i></b>	<i>HK cents</i>
<b>Loss per share</b>	<b>9</b>	
From Continuing and Discontinued Operations		
– Basic and diluted	<u><b>(5.09)</b></u>	<u>(16.13)</u>
From Continuing Operations		
– Basic and diluted	<u><b>(5.09)</b></u>	<u>(22.06)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Plant and equipment		1,729	1,445
Right-of-use assets		984	2,012
Rental deposits		424	438
		<u>3,137</u>	<u>3,895</u>
<b>Current assets</b>			
Inventories		18,626	11,962
Trade and other receivables	10	18,642	20,148
Cash and cash equivalents		6,229	5,483
		<u>43,497</u>	<u>37,593</u>
<b>Current liabilities</b>			
Trade and other payables	11	12,612	9,440
Contract liabilities		591	–
Amounts due to a director		669	–
Lease liabilities		2,347	2,699
Bank and other borrowings		1,683	410
Tax payable		–	–
		<u>17,902</u>	<u>12,549</u>
<b>Net current assets</b>		<u>25,595</u>	<u>25,044</u>
<b>Total assets less current liabilities</b>		<u>28,732</u>	<u>28,939</u>
<b>Non-current liabilities</b>			
Lease liabilities		4,019	6,564
Bank and other borrowings		3,710	–
		<u>7,729</u>	<u>6,564</u>
<b>NET ASSETS</b>		<u><u>21,003</u></u>	<u><u>22,375</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		30,547	30,547
Reserves		(9,544)	(7,612)
		<u>21,003</u>	<u>22,935</u>
<b>Attributable to equity shareholders of the Company</b>		<u>21,003</u>	<u>22,935</u>
Non-controlling interests		–	(560)
		<u>–</u>	<u>(560)</u>
<b>TOTAL EQUITY</b>		<u><u>21,003</u></u>	<u><u>22,375</u></u>

## NOTES:

### 1. GENERAL

Jisheng Group Holdings Limited (formerly known as Solomon Worldwide Holdings Limited, the “Company”) was incorporated in the Cayman Islands on 24 February 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company is an investment holding company.

During the year, the Company and its subsidiaries (the “Group”) was principally engaged in designing, development, manufacturing and selling of cast metal products which are either sourced externally or are manufactured in the Group’s manufacturing facilities located primarily in the PRC (i.e. the “Metal Casting” business). During the year ended 31 December 2023, the Company disposed of its Financial Printing business and thus, subsequent to the disposal of the Financial Printing business (the “Discontinued Operation”), the Group continues to be engaged in the Metal Casting business (the “Continuing Operations”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”). Other than its major subsidiaries, G. Force (Hong Kong) Limited and KTech Industrial Technology (Huizhou) Limited, of which the functional currency is United States dollars (“USD”) and Renminbi (“RMB”), respectively, the functional currency of the Company and other subsidiaries is HK\$.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### *Amendments to HKFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2024 for the preparation of the 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 and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>

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

### *New and Amendments to HKFRSs issued but not yet effective*

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

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

## **HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”)**

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements but has no impact on the Group’s financial positions and performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

During the year ended 31 December 2024, the Group incurred a loss attributable to owners of the Company from Continuing Operation of approximately HK\$1,942,000 (2023: HK\$6,898,000). In addition, as at 31 December 2024, the Group had trade and other payables, amount due to a director, lease liabilities and bank and other borrowings amounted to approximately HK\$12,612,000 (2023: HK\$9,440,000), HK\$669,000 (2023: nil), HK\$2,347,000 (2023: HK\$2,699,000) and HK\$1,683,000 (2023: HK\$410,000), respectively to be payable within one year or on demand which are included in the current liabilities, while its cash and cash equivalents amounted to approximately HK\$6,229,000 (2023: HK\$5,483,000) only.

The conditions described above indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Company. The cash flow projections cover a period of at least the next twelve months from 31 December 2024. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024, after taking into consideration of the measures and plans made by the Group as detailed below:

- (i) The Company obtained a letter of undertaking (the "Letter of Undertaking") from Ms. Woo Lan Ying, a director of the Company that she has undertaken not to demand the Group to repay the amount due to her unless the Group had financial ability to do so;
- (ii) The Group is continuing to seek for other alternative financing and borrowings from financial institution to finance the settlement of its existing financial obligations and future operating and capital expenditures; and
- (iii) The directors of the Company are continuing to implement measures aiming at improving the working capital and cash flows of the Group including closely monitoring general administrative expenses and operating costs.

In light of the above measures and plans implemented to date, the directors of the Company are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for a period of at least the next twelve months from 31 December 2024 after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the production facilities and development of its business. Accordingly, the directors of the Company are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to achieve its plans and measures as described above including but not limited to the amount of the borrowing being approved by financial institution. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future and obtain the continuous financial support from its substantial shareholder.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their estimated recoverable amounts, to provide further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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



#### 4. REVENUE AND SEGMENT INFORMATION

##### (a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the Group's Continuing Operations and Discontinued Operation regarding the transfer of goods and services by categorise of major product lines and business.

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from contracts with customers by category within the scope of HKFRS 15</b>						
<i>Metal Casting business:</i>						
Sales of cast metal products	44,728	53,776	N/A	–	44,728	53,776
<i>Financial Printing business:</i>						
– Provision of integrated commercial and financial printing services	–	–	N/A	528	–	528
	<u>44,728</u>	<u>53,776</u>	<u>N/A</u>	<u>528</u>	<u>44,728</u>	<u>54,304</u>

##### (b) Segment information

Information regarding the Group's reportable segments from Continuing Operations and Discontinued Operation as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023*	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue</b>						
External sales	<u>44,728</u>	<u>53,776</u>	<u>N/A</u>	<u>528</u>	<u>44,728</u>	<u>54,304</u>
<b>Segment results</b>	<u>(1,468)</u>	<u>(7,458)</u>	<u>N/A</u>	<u>(848)</u>	<u>(1,468)</u>	<u>(8,306)</u>
Gain on disposal of Disposal Operation					N/A	6,882
Unallocated finance costs					N/A	N/A
Unallocated head office, corporate expenses and other income					<u>N/A</u>	<u>N/A</u>
Consolidated loss for the year					<u>(1,468)</u>	<u>(1,424)</u>

The Group derives revenue from the Group's Continuing Operations and Discontinued Operation regarding the transfer of goods and services by timing of revenue recognition.

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from contracts with customers by timing within the scope of HKFRS 15</b>						
<b><i>Metal casting:</i></b>						
Sales of cast metal products						
– Point-in-time	44,728	53,776	N/A	–	44,728	53,776
– Over time	–	–	N/A	–	–	–
<b><i>Financial printing service income:</i></b>						
– Point-in-time	–	–	N/A	528	–	528
– Over time	–	–	N/A	–	–	–
	<u>44,728</u>	<u>53,776</u>	<u>N/A</u>	<u>528</u>	<u>44,728</u>	<u>54,304</u>

## 5. OTHER INCOME AND GAINS

The Group's other income from Continuing Operations and Discontinued Operation is as following:

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023*	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other income comprise of:						
Bank interest income	11	11	N/A	–	11	11
Gain on early termination of lease	6	–	N/A	–	6	–
Exchange (loss)/gain	(288)	290	N/A	–	(288)	290
Waiver of director's remuneration	620	–	N/A	–	620	–
Gain on disposal of subsidiaries	83	–	N/A	–	83	–
Sundry income	1,044	71	N/A	–	1,044	71
	<u>1,476</u>	<u>372</u>	<u>N/A</u>	<u>–</u>	<u>1,476</u>	<u>372</u>

\* The amounts represent the financial information of the Financial Printing business companies during for the period from 1 January 2023 to Disposal Date.

## 6. FINANCE COSTS

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023*	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Finance costs comprise of:						
Interest expense on lease liabilities	417	481	N/A	–	417	481
Interest expense on bank and other borrowing	106	78	N/A	–	106	78
	<u>523</u>	<u>559</u>	<u>N/A</u>	<u>–</u>	<u>523</u>	<u>559</u>

\* The amounts represent the financial information of the Financial Printing business companies during for the period from 1 January 2023 to Disposal Date.

## 7. INCOME TAX EXPENSE

Taxation from Continuing Operations and Discontinued Operation in the consolidated statement of profit or loss and other comprehensive income represents:

	Continuing Operations		Discontinued Operation		Total	
	Metal casting		Financial printing			
	2024	2023	2024	2023*	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax						
– Hong Kong Profits Tax	–	–	N/A	–	–	–
– PRC Enterprise Income Tax	–	–	N/A	–	–	–
	<u>–</u>	<u>–</u>	<u>N/A</u>	<u>–</u>	<u>–</u>	<u>–</u>

Pursuant to the income tax rule and regulations of Cayman Islands and British Virgin Islands (“BVI”), the Group is not subject to income tax in the respective jurisdictions.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

For the years ended 31 December 2024 and 2023, Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

The provision for PRC Enterprise Income Tax of the Group's PRC subsidiaries is based on the estimated taxable income for each PRC subsidiary and at its applicable tax rate. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

## 8. LOSS FOR THE YEAR

Loss before taxation from Continuing Operations and Discontinued Operation has been arrived at after charging (crediting):

	Continuing Operations		Discontinued Operation		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023* HK\$'000	2024 HK\$'000	2023 HK\$'000
Staff costs (including directors' remuneration):						
Salaries, wages and other benefits	15,717	14,748	N/A	143	15,717	14,891
Contributions to defined contribution retirement plan	1,308	1,242	N/A	5	1,308	1,247
	<u>17,025</u>	<u>15,990</u>	<u>N/A</u>	<u>148</u>	<u>17,025</u>	<u>16,138</u>
Depreciation and amortisation of:						
– Plant and equipment	702	2,500	N/A	–	702	2,500
– Right-of-use assets	908	1,991	N/A	–	908	1,991
	<u>1,610</u>	<u>4,491</u>	<u>N/A</u>	<u>–</u>	<u>1,610</u>	<u>4,491</u>
(Reversal of) impairment losses on:						
– Inventories	(2,453)	(1,336)	N/A	–	(2,453)	(1,336)
– Amount due from an associate	–	448	N/A	–	–	448
	<u>(2,453)</u>	<u>(888)</u>	<u>N/A</u>	<u>–</u>	<u>(2,453)</u>	<u>(888)</u>
<b>Other items:</b>						
Auditor's remuneration	530	460	N/A	–	530	460
Cost of sales	28,925	39,754	N/A	486	28,925	40,240
Loss on disposal of plant and equipment	13	16	N/A	–	13	16
Net exchange (gain) loss	(288)	290	N/A	–	(288)	290
Gain on disposal of subsidiaries	(83)	–	N/A	–	(83)	–

\* The amounts represent the financial information of the Group's Financial Printing business companies during the period from 1 January 2023 to the Disposal Date.

## 9. LOSS PER SHARE

The calculation of the basic and diluted earnings (loss) per share from Continuing Operations and Discontinued Operation attributable to the owners of the Company is based on the following data:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(Loss) profit for the year attributable to owners of the Company</b>		
– Continuing Operations	(1,942)	(6,898)
– Discontinued Operation	N/A	1,855
	<u>(1,942)</u>	<u>1,855</u>
	<u><b>(1,942)</b></u>	<u><b>(5,043)</b></u>

*Weighted average numbers of ordinary shares for the purpose of basic earnings (loss) per share*

	<b>2024</b> <i>'000</i>	2023 <i>'000</i>
Issued ordinary shares at 1 January	<b>38,184</b>	212,160
Effect of shares issued under the January 2023 Subscription of Shares	–	10,427
Effect of shares issued under the March 2023 Subscription of Shares	–	22,625
Effect of 2023 Share Consolidation (note 27(i)(c))	–	(220,691)
Effect of shares issued under the 2023 Rights Issue	–	6,742
	<u>38,184</u>	<u>31,263</u>
<b>Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share</b>	<u><b>38,184</b></u>	<u><b>31,263</b></u>

	<b>2024</b> <i>HK cents</i>	2023 <i>HK cents</i>
Basic earnings (loss) per share		
– Continuing Operations	(5.09)	(22.06)
– Discontinued Operation	N/A	5.93
	<u>(5.09)</u>	<u>5.93</u>
<b>Total basic loss per share attributable to the ordinary owner of the Company</b>	<u><b>(5.09)</b></u>	<u><b>(16.13)</b></u>

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the both years have been adjusted for the 2023 Share Consolidation and 2023 Rights Issue.

There is no potential dilutive share issued during the both years.

## 10. TRADE AND OTHER RECEIVABLE

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade receivables	<b>6,203</b>	5,707
Less: Allowances	<u>–</u>	<u>–</u>
	<b>6,203</b>	5,707
Deposits paid to suppliers	<b>9,821</b>	9,190
Deposits, prepayments and other receivables	<b>3,042</b>	5,689
	<u><b>19,066</b></u>	<u>20,586</u>
Analysed as:		
– Current	<b>18,642</b>	20,148
– Non-current	<b>424</b>	438
	<u><b>19,066</b></u>	<u>20,586</u>

The ageing analysis of trade debtors as of the end of the reporting period, based on invoice date and net of allowance, is as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 30 days	<b>1,451</b>	2,195
31 to 60 days	<b>1,295</b>	1,687
61 to 90 days	<b>1,548</b>	1,684
Over 90 days but less than 1 year	<b>1,909</b>	141
	<u><b>6,203</b></u>	<u>5,707</u>

## 11. TRADE AND OTHER PAYABLES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<b>4,669</b>	5,947
Accrued charges and other payables	<b>7,943</b>	3,493
	<hr/> <b>12,612</b> <hr/>	<hr/> 9,440 <hr/>

The ageing analysis of trade creditors as of the end of the reporting period, based on invoice date, is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	<b>3,370</b>	4,849
31 to 60 days	<b>933</b>	926
61 to 90 days	<b>136</b>	50
Over 90 days	<b>230</b>	122
	<hr/> <b>4,669</b> <hr/>	<hr/> 5,947 <hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

During FY 2024, the Group was principally engaged in trading and manufacturing of metal casting parts and components in PRC from continuing operations.

#### **Metal Casting Business**

The metal casting products of the Group can be categorized into four main categories: (a) pump components; (b) valve components; (c) filter components; and (d) food machinery components, which are made of stainless steel, carbon steel, bronze and/or grey iron. Our largest market is Germany. We also have customers from Mainland China and the United States.

During FY 2024, the global economic environment remains challenging due to the impact of interest rate hikes and inflation. Although the release of certain lock down measure in overseas, the revenue from metal casting business decreased by approximately 14.24% as compared to last year. The revenue level of this segment rebounded to that in 2019, i.e. prior to the outbreak of the COVID-19 pandemic. Although the average selling prices of the products were increased, it has almost been offset by the increase in general costs of raw materials.

### **FINANCIAL REVIEW**

#### **Revenue**

In FY 2024, revenue of the Group from continuing operations decreased slightly by approximately 16.8% to approximately HK\$44.7 million as compared with that in FY 2023 of approximately HK\$53.8 million. The decrease in revenue was mainly due to the impact of the global economic environment facing the challenges.

#### **Gross profit**

Gross profit from continuing operations of approximately HK\$15.8 million (FY 2023: HK\$14.0 million) was recorded in FY 2024, representing an increase of approximately HK\$1.8 million as compared with that in FY 2023. The Group's overall gross profit margin increased slightly to 35.3% in FY 2024 from 26.1% in FY 2023.



### **Selling and distribution expenses**

The Group's selling and distribution expenses from continuing operations in FY 2024 amounted to approximately HK\$3.2 million (FY 2023: HK\$3.3 million), representing a decrease of approximately HK\$0.1 million as compared with the in FY 2023. Selling and distribution expenses comprised mainly packaging, delivery, customs, agency cost and insurance cost incurred in relation to the sales. The selling and distribution expenses recorded a decrease during FY 2024.

### **Administrative expenses**

The Group's administrative expenses from continuing operations in FY 2024 amounted to approximately HK\$15.0 million (FY 2023: HK\$18.0 million), representing a decrease of approximately HK\$3.0 million as compared with that in FY 2023. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staffs, exchange loss, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations.

### **Finance costs**

Finance costs mainly represented the interest on lease liabilities and bank and other borrowing of approximately HK\$0.5 million in FY 2024 (FY 2023: HK\$0.6 million).

### **Loss for the year**

Loss attributable to equity shareholders of the Company in FY 2024 amounted to approximately HK\$1.9 million (FY 2023: HK\$5.0 million), representing a decrease of approximately 62.0% as compared to that in FY 2023.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's principal sources of funds are used to finance working capital, and the growth and expansion of the Group's operations and sales network. During FY 2024, the Group's principal sources of funds are from issue of shares and borrowings. The Group had cash and cash equivalents of approximately HK\$6.2 million as at 31 December 2024 (31 December 2023: HK\$5.5 million). As at 31 December 2024, except for the loan and advance from related parties (mainly from a director and a related party): HK\$1.6 million (31 December 2023: HK\$Nil) and borrowings: approximately HK\$1.7 million (31 December 2023: HK\$0.4 million), the Group did not have any other borrowings.

## **GEARING RATIO**

As at 31 December 2024, the Group's gearing ratio is 6% (31 December 2023: 0%), which is calculated based on the Group's total interest-bearing debt divided by the Group's total equity.

## **CAPITAL STRUCTURE**

The capital of the Company comprises only ordinary shares. There has been no change in the Capital structure of the Group during the year ended 31 December 2024.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements may affect the substantiality of its business. The Group has allocated various resources to ensure ongoing compliance with rules and regulations.

During the year under review, there is no material non-compliance with the relevant laws and regulations in Hong Kong and PRC by the Group.

## **CONTINGENT LIABILITIES**

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

## **CHARGE OF ASSETS**

As at 31 December 2024, the Group did not have any charge of assets (31 December 2023: Nil).

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group is principally engaged in the manufacturing of metal casting parts and components in PRC, which are exposed to certain market risks including currency risk, interest rate risk, credit risk and liquidity risk. The details are set out in note 30 “Financial risk management and fair values of financial instruments” to the consolidated financial statements.

The Group’s business and profitability growth in the year under review is affected by the increase in competition in the industry and the volatility and uncertainty of macroeconomic conditions in Hong Kong, PRC, Germany and other global nations. The Group is expected to continue to be affected by the above factors. Any increased competition in the metal casting industry in PRC could reduce the sales, prices and profit margins, and affect the operating results. Any change in the macroeconomic condition may directly or indirectly affect the cost of the production and the demand for the services and products of the Group.

## **FOREIGN CURRENCY RISK**

The Group mainly sells the products to customers in Germany, the PRC and the United States. The Group is exposed to foreign currency risks as it receives revenue in Euro from some of its customers in Europe. The Group generally has a surcharge mechanism with its customers to protect the future profitability in certain extent against the (i) fluctuation of the cost of certain raw materials; and (ii) fluctuation of the exchange rate of Euro vs RMB, or Euro vs USD, if the purchase price is to be settled by Euro. However, there is no assurance that such mechanism could protect the Group free from foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **TREASURY POLICIES**

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

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

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

## **SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group had no significant investment, material acquisitions and disposals of subsidiaries and capital assets during the year.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed elsewhere in this announcement, the Group did not have any plans for material investments and capital assets as at 31 December 2024.

## **RELATIONSHIPS WITH KEY STAKEHOLDERS**

The Group's success also depends on the support from key stakeholders which comprise employees, customers and suppliers.

## **Employees**

Employees are regarded as the valuable assets of the Group. The employees of the Group are remunerated by way of salary, allowance and discretionary bonus. The Group has devised an assessment system for the employees and the Group uses the assessment result for salary reviews and promotion decisions. The Group maintains good working relationships with the employees and has not encountered any difficulty in the recruitment and retention of staff for the operations since the establishment of the business.

## **Customers**

The Group's currently principal customers are suppliers of flow control devices, electromechanical equipment, and industrial machinery and equipment. The Group believes that product quality is the key to retain long-term customers. Each step in the production procedures are controlled and monitored to ensure adherence to stringent quality standard. The Group has maintained a good and long-term relationship with its customers by providing high quality and tailor-made of the metal casting parts and components which are able to meet the diversified requirements of the customers.

## **Suppliers**

The Group maintains stable relationship with its suppliers which include distributors of well-established metal manufacturers. Most of the the suppliers of the metal casting business have distribution points in Guangdong province and they are nearby the factory of the Group located in Huizhou City, which ensures prompt delivery and relatively lower transportation costs.

## **EMPLOYEE AND EMOLUMENT POLICIES**

As at 31 December 2024, the employee headcount (including Directors) of the Group was 95 (31 December 2023: 105) and the total staff costs, including directors' emoluments, amounted to approximately HK\$17.0 million during FY 2024 (FY2023: HK\$16.1 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

## **FUTURE PROSPECTS**

The Group principal objectives are to maintain and strengthen its position as a leading umbrella manufacturer focused in Japan market and its own branded umbrella products in the PRC market, and increase its market share in the existing markets such as Hong Kong, Cambodia and Republic of Korea.

Looking ahead, the Group will shift business focus from developing upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group's branded umbrellas which command higher margins and create higher values as well as bringing better return to our shareholders. To diversify its business and explore potential business opportunities, the Group is exploring and developing business opportunities and projects.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS**

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 have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 31 December 2024.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining high standard of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board comprises two executive Directors and three independent non-executive Directors. The Company has adopted and complied with the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules throughout the year ended 31 December 2024.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Ms. Yuen Wai Man (Chairman), Ms. Leung Shuk Lan and Mr. Au Sui Keung Albert. The Audit Committee has reviewed with the management of the Group the accounting policies and practices adopted by the Group, its system of risk management and internal control and financial reporting matters including review of the results for the year ended 31 December 2024.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR**

The figures above in the preliminary announcement of the Group’s result for the year ended 31 December 2024 have been agreed with the Company’s auditor, SFAI (HK) CPA Limited (“**SFAI (HK)**”), to the amounts set out in the Group’s consolidated financial statements for the year ended 31 December 2024. The work performed by SFAI (HK) 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 SFAI (HK) on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

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

## **FINAL DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jishenggroup.com). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to thank all the colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all the shareholders, customers, bankers and other business associates for their trust and support.

By order of the Board of  
**Jisheng Group Holdings Limited**  
**Woo Lan Ying**  
*Chairman*

Hong Kong, 31 March 2025

*As at the date of this announcement, the executive Directors are Ms. Woo Lan Ying and Mr. Li Qizhi, and the independent non-executive Directors are Ms. Leung Shuk Lan, Ms. Yuen Wai Man and Mr. Au Sui Keung Albert.*