Neo Telemedia Limited
中 國 新 電 信 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8167)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "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 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, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*This announcement, for which the directors (the "**Directors**") of Neo Telemedia Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief:*

1. *the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and*

2. *there are no other matters the omission of which would make any statement in this announcement misleading.*

ANNUAL RESULTS

The board of Directors ("**Board**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000* (Restated)
Revenue	*4*	**479,453**	532,358
Cost of sales		**(499,298)**	(472,289)
Gross (loss)/profit		**(19,845)**	60,069
Other income and gains		**8,704**	72,847
Gain on disposal of subsidiaries		**5,232**	219,660
Selling and marketing costs		**(17,283)**	(29,378)
Administrative and other expenses		**(108,119)**	(131,983)
Net change in impairment loss allowances under expected credit loss model		**(107,663)**	(16,915)
Impairment loss of goodwill		**(50,859)**	(36,246)
Impairment loss of intangible assets		**(28,830)**	–
Impairment of property, plant and equipment		**(1,001,035)**	–
Impairment of right-of-use assets		**(812,317)**	–
Finance costs		**(143,934)**	(112,380)
(Loss)/profit before tax	*7*	**(2,275,949)**	25,674
Income tax	*6*	**222,694**	(176,782)
Loss for the year		**(2,053,255)**	(151,108)
Other comprehensive income/(expenses) for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(172)**	(61,153)
Reclassification of cumulative translation reserve upon disposal of foreign operations		**1,074**	(514)
Other comprehensive income/(expenses) for the year, net of tax		**902**	(61,667)
Total comprehensive expenses for the year		**(2,052,353)**	(212,775)

	Notes	2023 HK$'000	2022 HK$'000 (Restated)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(1,966,236)**	(201,699)
Non-controlling interests		**(87,019)**	50,591
		(2,053,255)	(151,108)
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(1,963,086)**	(252,752)
Non-controlling interests		**(89,267)**	39,977
		(2,052,353)	(212,775)
		HK Cents	*HK Cents* (Restated)
Basic loss per share	*8*	**(20.65)**	(2.12)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**31 December 2023** *HK$'000*	31 December 2022 *HK$'000* (Restated)	1 January 2022 *HK$'000* (Restated)
Non-current Assets				
Property, plant and equipment		**715,569**	1,765,779	3,030,457
Right-of-use assets		**259,428**	1,157,302	773,920
Goodwill		**–**	50,859	116,047
Intangible assets		**15,138**	62,375	81,803
Prepayment for property, plant and equipment		**19,496**	76,849	14,510
Deferred tax assets		**–**	4,738	3,202
		1,009,631	3,117,902	4,019,939
Current Assets				
Inventories		**–**	330	2,276
Accounts receivable	*10*	**178,057**	146,929	142,660
Prepayments, deposits and other receivables		**394,339**	552,765	244,722
Cash and cash equivalents		**27,245**	17,607	20,198
		599,641	717,631	409,856
Assets held for sale		**3,164**	5,574	5,994
		602,805	723,205	415,850
Current Liabilities				
Accounts payable	*11*	**226,682**	129,439	147,271
Other payables and accruals		**614,932**	377,437	383,818
Contract liabilities		**5,288**	20,669	59,673
Lease liabilities		**256,992**	317,463	43,135
Borrowings		**808,150**	927,706	1,841,800
Tax liabilities		**51,007**	52,149	51,616
		1,963,051	1,824,863	2,527,313
Net Current Liabilities		**(1,360,246)**	(1,101,658)	(2,111,463)
Total Assets less Current Liabilities		**(350,615)**	2,016,244	1,908,476

	Notes	31 December 2023 HK$'000	31 December 2022 HK$'000 (Restated)	1 January 2022 HK$'000 (Restated)
Non-current Liabilities				
Deferred tax liabilities		**63,783**	295,379	181,546
Lease liabilities		**907,680**	990,498	824,402
Other payables		**3,159**	3,251	8,778
		974,622	1,289,128	1,014,726
Net (Liabilities)/Assets		**(1,325,237)**	727,116	893,750
Capital and Reserves				
Share capital		**952,218**	952,218	952,218
Reserves		**(2,306,539)**	(343,453)	(90,701)
(Deficit)/Equity attributable to owners of the Company		**(1,354,321)**	608,765	861,517
Non-controlling interests		**29,084**	118,351	32,233
Total (Deficit)/Equity		**(1,325,237)**	727,116	893,750

Notes:

1. CORPORATE AND GROUP INFORMATION

Neo Telemedia Limited (the "**Company**") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"). Other than those subsidiaries established in the People's Republic of China (the "**PRC**") whose functional currency are Renminbi ("**RMB**"), the functional currency of the Company and its remaining subsidiaries are HK$. The reason for selecting HK$ as its presentation currency is that the Company is a public company listed on GEM of the Stock Exchange, where most of the investors are located in Hong Kong.

The Company is an investment holding company and the principal activity of its subsidiaries is the provision of data centre services.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are Mandatorily Effective for the Current Year

In the current year, the Group has applied the following new and 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 period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17, *Insurance contracts (including the October 2020 and February 2022 amendments to HKFRS 17)*

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materially judgements: Disclosure of accounting policies*

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to HKAS 12, *Income taxes: International Tax reform – Pillar Two model rules*

Except as described below, the application of the new and amendments to HKFRSs listed above in the current year has had no material impact on the Group's financial position and performance for the current and prior years on the disclosures set out in these consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately.

Change in accounting policies

Impacts of application of amendments to HKFRSs on the consolidated financial statements

The following table summarises the impacts of the changes in accounting policies as a result of application of the amendments to HKAS 12 *Deferred tax related to assets and liabilities arising from a single transaction* on the Group's consolidated statement of profit or loss and other comprehensive income and loss per share for the year ended 31 December 2022:

	As previously reported	**Effect of amendments to HKAS 12**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022:			
Gain on disposal of a subsidiary	199,986	19,674	219,660
Profit before tax	6,000	19,674	25,674
Income tax	(11,573)	(165,209)	(176,782)
(Loss)/profit for the year attributable to:			
– Owners of the Company	(55,657)	(146,042)	(201,699)
– Non-controlling interests	50,084	507	50,591
Loss per share *(HK Cents)*			
– Basic and diluted	(0.58)	(1.54)	(2.12)
Total comprehensive (expense)/income for the year attributable to:			
– Owners of the Company	(121,656)	(131,096)	(252,752)
– Non-controlling interests	37,714	2,263	39,977

The following table summarises the impacts of the change in accounting policies as a result of application of the amendments to HKAS 12, *Deferred tax related to assets and liabilities arising from a single transaction* on the Group's consolidated statement of financial position as at 31 December 2022 and 1 January 2022:

	As previously reported	**Effect of amendments to HKAS 12**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of financial position as at 31 December 2022:			
Deferred tax assets	6,053	(1,315)	4,738
Total non-current assets	3,119,217	(1,315)	3,117,902
Deferred tax liabilities	(15,594)	(279,785)	(295,379)
Total non-current liabilities	(1,009,343)	(279,785)	(1,289,128)
Net assets	1,008,216	(281,100)	727,116
Reserves	(70,319)	(273,134)	(343,453)
Non-controlling interests	126,317	(7,966)	118,351
Total equity	1,008,216	(281,100)	727,116

	As previously reported	**Effect of amendments to HKAS 12**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of financial position as at 1 January 2022:			
Deferred tax assets	6,645	(3,443)	3,202
Total non-current assets	4,023,382	(3,443)	4,019,939
Deferred tax liabilities	(20,451)	(161,095)	(181,546)
Total non-current liabilities	(853,631)	(161,095)	(1,014,726)
Net assets	1,058,288	(164,538)	893,750
Reserves	51,337	(142,038)	(90,701)
Non-controlling interests	54,733	(22,500)	32,233
Total equity	1,058,288	(164,538)	893,750

Amendments to HKFRSs in Issue 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 for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRSs but is not yet in a position to state whether these new and amendments to HKFRSs would have a significant impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*	1 January 2024
Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*	1 January 2024
Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined
Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*	1 January 2024
Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements*	1 January 2024
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability transaction*	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to HKFRS 10 and HKAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Amendments to HKFRS Accounting Standards, *Annual Improvements to HKFRS Accounting Standards – Volume 11*	1 January 2026
Amendments to HKAS 21, *Lack of Exchangeability*	1 January 2025
HKFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". 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. Minor amendments to HKAS 7 "Statement of Cash Flows" 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 the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Going concern

The Group incurred a net loss of approximately HK$2,053,255,000 (2022 (restated): HK$151,108,000) for the year ended 31 December 2023. As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately HK$1,360,246,000 (2022: HK$1,101,658,000), while its cash and cash equivalents amounted to only HK$27,245,000, and the Group was in net liabilities position of approximately HK$1,325,237,000. These conditions, along with other matters, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In the opinion of the Directors, the Group is able to maintain itself as a going concern in the next twelve months by taking into consideration that:

(i) the cash flow projections can be achieved such that the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period;

(ii) bank loans with aggregate carrying amount of approximately HK$280,381,000 as at 31 December 2023 are repayable more than one year after the end of the reporting period pursuant to the repayment schedule included in the loan agreements, but have a repayment on demand clause. Such bank loans have been classified as current liabilities as at 31 December 2023 in accordance with Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* ("**HK-Int 5**"). Taking into account the Group's financial position and the security provided to the banks, the Directors believe that the banks will agree to refinance their loans to the Group when they fall due and will not exercise their discretionary rights to demand immediate repayment. The Directors believe that these bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements;

(iii) other loans with carrying amount of approximately HK$126,366,000 as at 31 December 2023 that are repayable more than one year after the end of the reporting period pursuant to the repayment schedule included in the loan agreements, with a repayment on demand clause, have been classified as current liability as at 31 December 2023 in accordance with HK-Int 5. Taking into account the Group's financial position and the security provided to the lenders, the Directors believe that the lenders will agree to refinance their loans to the Group when fall due and will not exercise their discretionary rights to demand immediate repayment. The Directors believe that these other loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements;

(iv) as at 31 December 2023, there were unutilised banking facilities of approximately HK$1,040,376,000 which are expiring between 2024 and 2028 and will be made available to the Group when needed to be drawn to allow the Group to continue to meet its financial obligations; and

(v) Dr. Lie Haiquan, the substantial shareholder of the Company, has committed to provide continuous financial support to the Group to enable the Group to meet its financial obligations as and when they fall due in the next nineteen months from the date of approval of the consolidated financial statements for the year ended 31 December 2023.

In addition to the above, management of the Group plans to negotiate with the existing lenders of the bank loans and other loans in relation to the potential refinancing of these borrowings to allow the Group to continue to meet its financial obligations.

If the refinancing from the existing lenders of the bank loans and other loans, financial support from the Company's substantial shareholder and banking facilities from certain financial institutions were not to be available, the Group would be unable to meet its financial obligations as and when they fall due. Adjustments would have to be made to reduce the carrying amounts of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, if applicable. The effects of these adjustments have not been reflected in the consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2023	2022
	HK$'000	*HK$'000*
Provision of data centre services *(Note 1)*	**436,272**	484,357
Others *(Note 2)*	**43,181**	48,001
	479,453	532,358

Note 1: Date centre services mainly include the use of data centre and information technology facilities, and network connection services.

Note 2: Others mainly represent income arising from the trading of telecommunication products, the provision of system integrity services and leasing of properties of approximately HK$6,115,000 (2022: HK$94,000), HK$29,365,000 (2022: HK$44,507,000) and HK$7,701,000 (2022: HK$3,400,000) respectively.

5. SEGMENT INFORMATION

Information reported to the board of Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

a. Provision of data centre services

b. Others

The Group reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

The "Others" reportable and operating segment mainly represents income arising from the trading of telecommunication products, the provision of system integration services and leasing of properties.

Segment Revenues and Results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Provision of data centre services		Others		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
						(Restated)
Revenue	**436,272**	484,357	**43,181**	48,001	**479,453**	532,358
Segment results	**(2,287,170)**	(241,511)	**18,248**	(2,931)	**(2,268,922)**	(244,442)
Interest income					**165**	551
Gain on disposal of subsidiaries					**5,232**	219,660
Gain from sale and leaseback transaction					**–**	62,018
Other income and gains					**8,539**	10,278
Unallocated corporate expenses					**(20,963)**	(22,391)
(Loss)/profit before tax					**(2,275,949)**	25,674
Income tax					**222,694**	(176,782)
Loss for the year					**(2,053,255)**	(151,108)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years. The material accounting policy information of the operating segments are the same as the Group's material accounting policy information. Segment results represent the profit or loss from each segment without allocation of interest income, central administration costs, directors' emoluments, gain on disposal of subsidiaries, gain from sale and leaseback transaction, other income and gains and income tax. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Provision of data centre services		Others		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)				(Restated)
Segment assets	**1,542,585**	3,723,972	**48,717**	100,571	**1,591,302**	3,824,543
Unallocated corporate assets					**21,134**	16,564
Consolidated assets					**1,612,436**	3,841,107
Segment liabilities	**2,866,191**	3,038,327	**46,808**	58,168	**2,912,999**	3,096,495
Unallocated corporate liabilities					**24,674**	17,496
Consolidated liabilities					**2,937,673**	3,113,991

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising certain of prepayments, deposits and other receivables and certain of property, plant and equipment); and

- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising certain of other payables and accruals).

6. INCOME TAX

	2023	2022
	HK$'000	*HK$'000*
		(Restated)
Hong Kong Profits tax		
– Current tax	**–**	–
PRC Enterprise Income tax		
– Current tax	**(2,049)**	18,811
Deferred tax	**(220,645)**	157,971
Total income tax (credit)/expense	**(222,694)**	176,782

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong during the years ended 31 December 2023 and 2022.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries of the Company, being qualified as a new and high technology enterprise, are eligible for a preferential Enterprise Income Tax rate of 15% until 27 December 2026.

7. (LOSS)/PROFIT BEFORE TAX

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

	2023	2022
	HK$'000	*HK$'000*
Staff costs, including Directors' remuneration		
– Salaries, wages and other benefits	**43,283**	49,054
– Contributions to retirement benefits Schemes	**3,538**	3,758
Total staff costs *(Note ii)*	**46,821**	52,812
Depreciation of property, plant and equipment	**44,721**	56,659
Depreciation of right-of-use assets *(Note iii)*	**79,268**	66,648
Amortisation of intangible assets *(Note i)*	**19,428**	19,428
Total depreciation and amortisation	**143,417**	142,735
Legal and professional fee	**5,559**	7,036
Office expenses	**4,362**	3,489
Bank charges	**5,406**	9,579
Auditors' remuneration		
– audit service	**900**	1,050
– non-audit service	**–**	238
Expenses relating to short term leases and low value leases	**595**	863
Cost of technical service fee (included in cost of sales) *(Note iv)*	**279,565**	238,912
Water and electricity charges (included in cost of sales)	**98,188**	89,270
Cost of inventories recognised as expense (including write-down of inventories amounting to approximately HK$148,000) (2022: HK$1,912,000)	**10,201**	1,912

Notes:

(i) The amortisation of intangible assets for the year is included in "Administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income.

(ii) Staff costs of approximately HK$33,250,000 and HK$13,571,000 (2022: HK$34,855,000 and HK$17,957,000) were recognised as administrative expenses and selling and marketing costs respectively.

(iii) Depreciation of right-of-use assets of approximately HK$64,482,000, HK$13,776,000 and HK$1,010,000 (2022: HK$43,675,000, HK$21,619,000 and HK$1,354,000) were recognised as cost of sales, administrative expenses and selling and marketing costs respectively.

(iv) Amount mainly represented data traffic fees paid and payable to telecommunication infrastructure operators in the People's Republic of China.

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company for the year is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
		(Restated)
Loss for the year attributable to owners of the Company and loss for the purpose of basic loss per share	**(1,966,236)**	(201,699)

	2023	2022
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**9,522,184**	9,522,184

No diluted loss per share for the year ended 31 December 2023 and 2022 was presented as there were no potential ordinary shares in issue for the years.

9. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

10. ACCOUNTS RECEIVABLE

	2023	2022
	HK$'000	*HK$'000*
Accounts receivable	**215,760**	174,860
Less: allowance for ECL	**(37,703)**	(27,931)
	178,057	146,929

The Group allows an average credit period of 90 days (2022: 90 days) to its trade customers. The following is an ageing analysis of accounts receivable, net of accumulated allowance for ECL, presented based on the invoice date at the end of the reporting period:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**81,103**	37,448
31 to 60 days	**21,345**	8,658
61 to 90 days	**9,778**	15,878
91 to 180 days	**13,795**	9,923
Over 180 days	**52,036**	75,022
	178,057	146,929

11. ACCOUNTS PAYABLE

The following is an ageing analysis of accounts payable presented based on the invoice date at the end of the reporting period:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**65,620**	54,217
31 to 60 days	**35,987**	9,387
61 to 90 days	**32,770**	9,591
Over 90 days	**92,305**	56,244
	226,682	129,439

The average credit period on purchases of goods is 90 days (2022: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS REVIEW AND ANALYSIS

REVIEW AND ANALYSIS

During the year ended 31 December 2023, the Group was mainly engaged in the provision of data centre services.

PROVISION OF DATA CENTRE SERVICES

The Group provides data centre services to its customers in mainland China through self-developed data centres and server cabinets leased from third parties.

A summary of the Group's self-developed data centres by data centre as of 31 December 2023 is set out below.

Name of data centre	Number of server cabinets			Server cabinets
	Available for service	**Under construction** *(Note 1)*	**Total**	**% of total**
Guangzhou Lotus Hill Data Centre	**1,499**	**–**	**1,499**	**4.6**
Guangzhou (Nanxiang) Cloud Data Centre	**2,871**	**–**	**2,871**	**8.8**
Bluesea Intelligence Valley Mega Data Centre *(Note 2)*	**8,112**	**18,900**	**27,012**	**82.8**
Shanghai Baoshan Data Centre	**310**	**942**	**1,252**	**3.8**
Total	**12,792**	**19,842**	**32,634**	**100.0**

Notes:

1. This is an estimate and is subject to change upon completion of the construction.

2. 8,112 server cabinets included herein were under sale and leaseback arrangements with an independent third party as at 31 December 2023.

Save for the above, the Group also operated an aggregate of approximately 330 server cabinets that were leased from third parties.

The Group's profitability is largely determined by the utilisation of its self-developed data centres. As of 31 December 2023, based on the number of server cabinets available for service, the utilisation rate of the Group's self-developed data centres was approximately 22.3% (2022: 28.9%). The decrease in the utilisation rate is mainly due to the negative impact of the COVID-19 pandemic on the business environment which led to a decrease in the utilisation rate of the Group's self-developed data centres.

During the year under review, since the first quarter of 2023, due to the impact of COVID-19 has decreased, the government of mainland China has lifting of the COVID-19 epidemic prevention and containment measures. However, the China's economic recovery has not been in line with expectations. In addition, Europe, the United States and other regions have restricted the export of AI computing power chips to China, which has resulted in the Group's customers have delayed to house their servers and data storage in the Group's data centres. As a result, most enterprises, including the Group and its customers, will take a more conservative approach to their business expansion plan. This has fundamentally changed the business environment as well as the landscape of the data centre industry and will have an impact on the Group's financial performance over the next couple of years.

For the year ended 31 December 2023, based on the updated business valuation of Guangdong Bluesea Data Development Company Limited*（廣東蔚海數據發展有限公司）("**Bluesea Data**"), the Group has recognised impairment loss of approximately HK$792.2 million on right-of-use assets arose from the sale and leaseback arrangements in 2021 and 2022. In addition, for the year ended 31 December 2023, based on the updated business valuation of Guangzhou Zituo Technology Company Limited*（廣州市資拓科技有限公司）and its subsidiaries (collectively referred to as "**Guangzhou Zituo Group**"), the Group has recognised impairment loss of approximately HK$50.9 million on goodwill and the relevant intangible assets, i.e., from the acquisition of Guangzhou Zituo Group in 2016.

The recoverable amount of Guangzhou Zituo Group's cash generating unit (including Guangzhou (Nanxiang) Cloud Data Centre and Shanghai Baoshan Data Centre) is determined based on value-in-use calculation. Such calculation is based on: 1) the cash flow forecast prepared by Guangzhou Zituo Group covering a five-year period, and 2) a pre-tax discount rate of 15.20% (2022: 14.57%) per annum which reflects current market assessments of time value of money and the credit risk specific to the cash generating unit. Given the aforesaid factors and the results of the annual review of the existing business by Guangzhou Zituo Group's management, a prudent and cautious approach towards revenue and gross profit margin applied on the five-year cash flow forecast has been adopted. The average service fee per server cabinet and the average gross profit margin (excluding depreciation) of the five-year cash flow forecast adopted for the year ended 31 December 2023 increased by approximately 31.84% and 16.00%, respectively, compared with that of the five-year cash flow forecast adopted for the year ended 31 December 2022. Other than the aforesaid revision on the five-year cash flow forecast, key assumptions and valuation method have substantially remained the same for the value-in-use calculation as at 31 December 2023 and 31 December 2022.

During the year under review, revenue from the provision of data centre services was approximately HK$436.2 million (2022: HK$484.4 million), representing a decrease of approximately HK$48.2 million or 9.9% as compared to the same period in last year. The decrease was mainly due to the negative impact of COVID-19 pandemic on the business environment which led to a decrease in the average rate per server cabinet charged to the Group's customers and the utilisation rate of the Group's self-developed data centres.

As the server cabinets available for service are not fully utilised and the construction of approximately 4,000 server cabinets is in progress, financial performance of the Group is expected to improve over the next few years when China's economy has shown recovery after COVID-19 reopening.

OTHERS

Others mainly consist of the trading of telecommunication products, provision of system integration services and leasing of properties. The revenue, results and assets of which are individually immaterial to the Group.

During the year under review, revenue from others was approximately HK$43.1 million (2022: HK$48.0 million), representing a decrease of approximately 10.2% year-on-year which was mainly due to the completion of several system integration services contracts.

PROSPECTS

Although Europe, the United States and other regions have restricted the export of AI computing power chips to China, the rapid growth in data traffic and accelerating trend of digitalisation, demand for high quality data centres in mainland China will continuously increase over the next few years. Thus, we are cautiously optimistic about the outlook of the Group for the coming years although there has been a decrease in utilisation rate for the year ended 31 December 2023. Increase the Group's revenue growth and utilisation rate of its data centres will continue to be our top priorities for 2024. The Group has always committed to providing first-class data centre services to support our customers' operational needs. Our Bluesea Intelligence Valley Mega Data Centre had more than 8,000 server cabinets available for service as at 30 September 2023. With the construction of an additional 4,000 server cabinets in progress, over 12,000 server cabinets in Bluesea Intelligence Valley Mega Data Centre will be available for service and the occupation of these server cabinets have been committed by two of the major telecommunication operators in mainland China. In addition, on 13 October 2023, the Group entered into an agreement with another major telecommunication operator in mainland China, pursuant to which both parties agreed to jointly operate 1,300 server cabinets in Bluesea Intelligence Valley Mega Data Centre. Together with the growing capacity of data centres in other locations, the Group will be able to provide our customers ample room for growth.

FINANCIAL PERFORMANCE

	2023	2022
	HK$'000	*HK$'000*
		(Restated)
Revenue *(HK$'000)*	**479,453**	532,358
Net loss *(HK$'000)*	**(2,053,255)**	(151,108)
Loss attributable to owners of the Company *(HK$'000)*	**(1,966,236)**	(201,699)
Basic loss earnings per share *(HK Cents)*	**(20.65)**	(2.12)

For the year under review, the Group recorded a revenue of approximately HK$479.4 million (2022: HK$532.4 million), representing a decrease of approximately HK$52.9 million or 9.9% as compared to the year ended 31 December 2022. The decrease in revenue was mainly due to the negative impact of the unfavourable conditions on the business environment which led to a decrease in the average rate per server cabinet charged to the Group's customers and the utilisation rate of the Group's self-developed data centres.

The Group recorded a loss attributable to owners of the Company of approximately HK$1,966.2 million for the year ended 31 December 2023 (2022: HK$201.7 million), representing an increase in loss of approximately HK$1,764.5 million or 874.8% year-on-year. The increase in loss for the year is mainly due to the net effect of net change in impairment of ECL of approximately HK$107.7 million (2022: HK$16.9 million), impairment of goodwill of approximately HK$50.8 million (2022: HK$36.2 million), impairment of intangible assets of approximately HK$28.8 million (2022: Nil), impairment of property, plant and equipment of approximately HK$1,001 million (2022: Nil) and impairment of right of use assets of approximately HK$812.3 million (2022: Nil).

Other Financial Information

	For the year ended 31 December	
	2023	2022
	HK$'000	*HK$'000*
		(Restated)
EBITDA (a)	**(2,108,960)**	260,564
EBITDA margin (b)	**(440%)**	48.9%

Note:

(a) EBITDA is defined as profit or loss for the year excluding net interest income or expenses, income tax expense or credit, depreciation and amortisation.

(b) EBITDA margin is calculated by dividing EBITDA by revenue.

FINANCIAL POSITION

As at 31 December 2023, the Group had interest-bearing borrowings of approximately HK$808.1 million (2022: HK$927.7 million), which are analysed as follows:

	2023	2022
	HK$'000	*HK$'000*
Bank loans		
Short-term bank borrowing, unsecured and guaranteed	**10,962**	11,281
Current portion of bank loans, secured and guaranteed		
– repayable within one year	**211,128**	69,378
– repayable after one year which contain a repayment on demand clause	**260,649**	477,756
Current portion of bank loans, unsecured and guaranteed		
– repayable within one year	**2,192**	2,256
– repayable after one year which contain a repayment on demand clause	**8,770**	9,025
Current portion of bank loans, secured and unguaranteed		
– repayable after one year which contain a repayment on demand clause	**10,962**	–
Total bank loans	**504,663**	569,696
Other loans		
Short-term other borrowing, unsecured and unguaranteed	**38,367**	–
Current portion of other loans, secured and guaranteed		
– repayable within one year	**94,511**	91,757
– repayable after one year which contain a repayment on demand clause	**126,366**	227,424
Current portion of other loans, unsecured and unguaranteed		
– repayable within one year	**44,243**	38,829
– repayable after one year which contain a repayment on demand clause	**–**	–
Total other loans	**303,487**	358,010
Total borrowings	**808,150**	927,706

The amounts based on the scheduled repayment dates set out in the loan agreements and the maturities of the Group's borrowings at the end of the financial year (i.e. ignoring the effect of any repayment on demand clause) are shown below:

	2023	2022
	HK$'000	*HK$'000*
Amounts of bank loans that are repayable:		
– within 1 year	**224,283**	82,915
– between 1 and 2 years	**85,010**	217,836
– between 2 and 5 years	**195,370**	218,099
– beyond 5 years	**–**	50,846
Total bank loans	**504,663**	569,696
Amounts of other loans that are repayable:		
– within 1 year	**177,121**	130,586
– between 1 and 2 years	**93,084**	97,543
– between 2 and 5 years	**33,282**	108,026
– beyond 5 years	**–**	21,855
Total other loans	**303,487**	358,010
Total borrowings	**808,150**	927,706

The borrowings are denominated in Renminbi and bear interest from 3.5% to 13.0% (2022: 3.8% to 8.0%) per annum.

Due to the repayment on demand clause of the banking facilities, which is a general term of banking facilities granted by the aforesaid banks, the long-term bank loans of approximately HK$280.4 million drawn from the aforesaid banking facilities are classified as current liabilities in the consolidated statement of financial position as at 31 December 2023.

As at 31 December 2023, the Group had current assets of approximately HK$602.8 million (2022: HK$723.2 million), including cash and cash equivalents of approximately HK$27.2 million (2022: HK$17.6 million), accounts receivable, prepayments, deposits and other receivables and other financial assets of approximately HK$572.4 million (2022: HK$699.7 million); and current liabilities of approximately HK$1,963.1 million (2022: HK$1,824.9 million). The Group's current ratio had been decreased from approximately 0.4 times as at 31 December 2022 to approximately 0.31 times as at 31 December 2023.

The Group had total assets of approximately HK$1,612.4 million (2022: HK$3,841.1 million) and total liabilities of approximately HK$2,937.7 million (2022: HK$3,114.0 million), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 182.2% as at 31 December 2023 (2022: 81.1%).

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICIES

Most of the Group's cash balances and transactions are either denominated in Renminbi, United States dollars and Hong Kong dollars. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. The Directors considered that no hedging of exchange risk is required and accordingly, there were no financial instruments being used for hedging purposes during the year ended 31 December 2023. Nevertheless, the management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had approximately 205 staff (2022: 246). The total remuneration, including that of the Directors, for the year under review is approximately HK$46.8 million (2022: HK$52.8 million). The Group remunerates its employees based on their performances, experience and the prevailing industry practice. Employee remuneration, excluding Directors' emoluments, is reviewed annually. In addition to the basic salaries, employees are also entitled to benefits including bonus and mandatory provident fund.

DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. The Board has adopted the new Corporate Governance Code (version with effect from 1 January 2022), the requirements under which apply to the Company's corporate governance report with effect from the year ended 31 December 2023.

Under code provision C.3.3, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. Except for Dr. LIE Haiquan and Mr. CHEUNG Sing Tai, the Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Under code provision F.2.2, the chairman of the board should attend the annual general meeting. Dr. LIE Haiquan, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 12 May 2023 (the "**AGM**") due to his other engagement. Mr. CHEUNG Sing Tai, deputy chairman of the Board and Chief Executive Officer of the Company who took the chair of the AGM, together with other members of the Board who attended the AGM, were of sufficient calibre for answering questions at the AGM.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had 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. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2023.

PURCHASE, REDEMPTION OR SALE OF 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 2023.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the accounting policies and practices adopted by the Group and the audited consolidated financial statements for the year ended 31 December 2023.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2023:

"Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

1. Material Uncertainties Relating to Going Concern

As set out in note 3 to the consolidated financial statements, the Group incurred a net loss of approximately HK$2,053 million for the year ended 31 December 2023. As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately HK$1,360 million, while its cash and cash equivalents amounted to only HK$27 million, and the Group was in net liabilities position of approximately HK$1,325 million. These conditions, along with other matters set out in note 3 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the measures taken by the directors of the Company, as described in note 3 to the consolidated financial statements, which cannot be determined with reasonable certainty and are subject to material uncertainties, including whether (i) the cash flow projections can be achieved such that the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months; (ii) both the bank and other lenders will agree to refinance their loans to the Group when they fall due and will not exercise their discretionary rights to demand immediate repayment for the bank and the other loans which are repayable for more than one year with a repayment on demand clause; (iii) the unutilised banking facilities will be made available to the Group when needed to be drawn down to allow the Group to continue to meet its financial obligations; and (iv) financial support from a substantial shareholder will be provided to the Group. We were provided with the analyses made by the management in respect of the Group's going concern assessment. However, such analyses are not sufficiently detailed for us to assess the Group's plans and measures for future actions in the going concern assessment which takes into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Accordingly, we have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of the management's use of the going concern basis of accounting in the preparation of the consolidated financial statements.

Should the Group fail to achieve the abovementioned plans and measures, the Group might not be able to meet its financial obligations as and when they fall due and to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amount of the Group's assets to their immediate recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. *Insufficient Audit Evidence in Respect of Opening Balances*

(a) *Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill*

The Group recognised impairment loss of goodwill of approximately HK$51 million and HK$36 million for the years ended 31 December 2023 and 2022 respectively, impairment loss of intangible assets of approximately HK$29 million and Nil for the years ended 31 December 2023 and 2022 respectively, impairment loss of property, plant and equipment of approximately HK$1,001 million and Nil for the years ended 31 December 2023 and 2022 respectively and impairment loss of right-of-use assets of approximately HK$812 million and Nil for the years ended 31 December 2023 and 2022 respectively. These impairment losses were recognised to write down the carrying amounts of the assets belonging to the cash-generating units ("**CGUs**") in the provision of data centre services operating segment of the Group to their recoverable amounts.

For the purposes of the impairment assessments as at 31 December 2023 to determine the recoverable amounts of the CGUs and of the property, plant and equipment, right-of-use assets, intangible assets and goodwill belonging to these CGUs, the directors of the Company assessed their recoverable amounts with reference to valuations performed by external valuer. These valuations required exercise by management of significant judgment on various assumptions to be adopted in the valuations, including the discount rate and underlying cash flows projections of the relevant cash generating units of the Group taking into account expectations of future revenue growth and capital expenditure.

We have not been provided with sufficient evidence to support the assumptions adopted in the aforesaid impairment assessments as at 31 December 2022. Consequently, we were unable to assess the reasonableness of the assumptions used in the determination of the recoverable amounts of the related CGUs and of the property, plant and equipment, right-of-use assets, intangible assets and goodwill belonging to these CGUs. In the absence of sufficient supporting evidence relating to the recoverable amounts of these assets as at 31 December 2022, we have not been able to satisfy ourselves that the impairment loss of goodwill, intangible assets, property, plant and equipment and right-of-use assets recognised by the Group in its consolidated profit or loss for the year ended 31 December 2022 and the carrying amounts of these assets recognised by the Group in its consolidated statement of financial position as at 31 December 2022 were not materially misstated. Consequently we were also unable to satisfy ourselves that the impairment losses of these assets recognised by the Group in its consolidated profit or loss for the year ended 31 December 2023 were not materially misstated.

Any adjustments found to be necessary in respect of these matters would have a consequential impact on the Group's net assets as at 31 December 2022 and its financial performance for the years ended 31 December 2023 and 2022 and the related elements and related notes disclosed in the consolidated financial statements for the years ended 31 December 2023 and 2022.

(b) *Impairment of prepayment for property, plant and equipment; and impairment of accounts receivable, prepayments, deposits and other receivables*

We have not been provided with sufficient evidence to support the assumptions adopted in the impairment assessment of the prepayment for property, plant and equipment as at 31 December 2022. Consequently, we were unable to assess the reasonableness of the assumptions used in the determination of the recoverable amount of prepayment for property, plant and equipment as at 31 December 2022. In the absence of sufficient supporting evidence relating to the recoverable amount of the prepayment for property, plant and equipment as at 31 December 2022, we have not been able to satisfy ourselves that no impairment loss of prepayment for property, plant and equipment was required to be recognised by the Group in its consolidated profit or loss for the year ended 31 December 2023 and 2022 and the carrying amount of the prepayment for property, plant and equipment recognised by the Group in its consolidated statement of financial position as at 31 December 2022 was not materially misstated. Consequently, we were also unable to determine the effect of this matter on consolidated profit or loss of the Group for the year ended 31 December 2023.

Besides, the Group recognised impairment loss under the expected credit loss model of approximately HK$108 million and HK$17 million for the years ended 31 December 2023 and 2022 respectively.

We have not been provided with sufficient evidence to support the impairment assessment of the carrying amounts of accounts receivable, prepayments, deposits and other receivables as at 31 December 2022. Consequently, we were unable to assess the reasonableness of the assumptions which were used in the determination of the impairment loss allowances for accounts receivable, prepayments, deposits and other receivables as at 31 December 2022. In the absence of sufficient supporting evidence relating to the carrying amounts of accounts receivable, prepayments, deposits and other receivables as at 31 December 2022, we have not been able to satisfy ourselves that the impairment loss of accounts receivable, prepayments, deposits and other receivables recognised by the Group in its consolidated profit or loss for the year ended 31 December 2022 and the carrying amounts of these assets recognised by the Group in its consolidated statement of financial position as at 31 December 2022 were not materially misstated. Consequently we were also unable to satisfy ourselves that the impairment losses of these assets recognised by the Group in its consolidated profit or loss for the year ended 31 December 2023 were not materially misstated.

Any adjustments found to be necessary in respect of these matters would have a consequential impact on the Group's net assets as at 31 December 2022 and its financial performance for the years ended 31 December 2023 and 2022 and the related elements and related notes disclosed in the consolidated financial statements for the years ended 31 December 2023 and 2022."

By order of the Board
Neo Telemedia Limited
Dr. LIE Haiquan
Chairman

Hong Kong, 23 June 2025

As at the date of this announcement, the Board comprises one executive Director, namely Dr. LIE Haiquan (Chairman), and three independent non-executive Directors, namely Ms. XI Lina, Ms. CHAN Siu Mat and Ms. XU Jiayuan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors 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.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and on the website of the Company at www.neo-telemedia.com.