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## China e-Wallet Payment Group Limited

中國錢包支付集團有限公司\*

(a company incorporated in Bermuda with limited liability)

(Stock Code: 802)

### PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of China e-Wallet Payment Group Limited (the “**Company**”) announced the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 together with comparative figures for the year ended 31 December 2022 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	4	<b>70,959</b>	89,094
Cost of sales		<u>(45,757)</u>	<u>(48,236)</u>
<b>Gross profit</b>		<b>25,202</b>	40,858
Other income and gains		<b>852</b>	788
Unrealised loss on financial assets at fair value through profit or loss (“ <b>FVTPL</b> ”), net		<b>(5,057)</b>	(5,704)
Realised loss on financial assets at FVTPL, net		–	(63)
Provision for expected credit losses (“ <b>ECLs</b> ”) on trade receivables, bond receivables, deposits and other receivables		<b>(13,515)</b>	(23,068)
Selling and administrative expenses		<u><b>(37,963)</b></u>	<u>(80,127)</u>
<b>Loss from operations</b>	5	<b>(30,481)</b>	(67,316)
Finance costs	6	<u><b>(1,667)</b></u>	<u>(1,716)</u>
Loss before tax		<b>(32,148)</b>	(69,032)
Income tax credit	7	<u><b>936</b></u>	<u>329</u>
Loss for the year		<u><b>(31,212)</b></u>	<u>(68,703)</u>
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(32,118)</b>	(67,462)
Non-controlling interests		<u><b>906</b></u>	<u>(1,241)</u>
		<u><b>(31,212)</b></u>	<u>(68,703)</u>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share</b>			
– Basic and diluted	8	<u><b>(5.32)</b></u>	<u>(11.18)</u>

\* For identification purposes only

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Loss for the year</b>	<u>(31,212)</u>	<u>(68,703)</u>
<b>Other comprehensive income/(loss) for the year, net of tax:</b>		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>42</u>	<u>(56)</u>
<b>Total comprehensive loss for the year</b>	<u><u>(31,170)</u></u>	<u><u>(68,759)</u></u>
<b>Total comprehensive loss for the year attributable to:</b>		
Owners of the Company	<u>(32,076)</u>	<u>(67,518)</u>
Non-controlling interests	<u>906</u>	<u>(1,241)</u>
	<u><u>(31,170)</u></u>	<u><u>(68,759)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 HK\$'000	2022 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		534	813
Bond receivables		–	2,963
Goodwill		4,686	4,686
Intangible assets		–	5,817
		<u>5,220</u>	<u>14,279</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		42,817	43,977
Bond receivables		2,855	5,141
Trade receivables	10	46,119	40,031
Deposits, prepayments and other receivables		271,723	289,648
Cash and bank balances		12,813	6,656
		<u>376,327</u>	<u>385,453</u>
<b>Total assets</b>		<u><b>381,547</b></u>	<u><b>399,732</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		6,035	6,035
Reserves		325,957	358,033
		<u>331,992</u>	<u>364,068</u>
<b>Equity attributable to owners of the Company</b>		<b>331,992</b>	364,068
Non-controlling interests		883	(23)
		<u>332,875</u>	<u>364,045</u>
<b>Total equity</b>		<u><b>332,875</b></u>	<u><b>364,045</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 31 December 2023*

	<i>Note</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bond payable		<b>14,515</b>	14,515
Deferred tax liabilities		<u>–</u>	<u>1,456</u>
		<b>14,515</b>	15,971
<b>Current liabilities</b>			
Trade payables	<i>11</i>	<b>13,062</b>	2,215
Accruals and other payables		<b>11,620</b>	11,713
Other borrowings		<b>3,167</b>	–
Income tax payables		<b>6,308</b>	5,788
		<b>34,157</b>	19,716
<b>Total liabilities</b>		<b>48,672</b>	35,687
<b>Total equity and liabilities</b>		<b>381,547</b>	399,732
<b>Net current assets</b>		<b>342,170</b>	365,737
<b>Total assets less current liabilities</b>		<b>347,390</b>	380,016
<b>Net assets</b>		<b>332,875</b>	364,045

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1. GENERAL INFORMATION

China e-Wallet Payment Group Limited (the “**Company**”) was incorporated in Bermuda an exempted company with limited liability under Companies Act of Bermuda. The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 626-629, Corporation Park, 11 On Lai Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong respectively. The Company’s shares are listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to nearest thousand except otherwise indicated.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”). IFRSs comprise International Financial Reporting Standard (“**IFRS**”), International Accounting Standards (“**IASs**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622). Material accounting policy information adopted by the Group are disclosed below.

The IASB has issued certain new and amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 3. ADOPTION OF NEW AND REVISED IFRSs

### (a) New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2020 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

**(b) Amendments to HKFRSs in issue but not yet effective**

The Group has not early applied any amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2023. The amendments to standards and interpretation include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendment to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendment to IAS 7 and IFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendment to IAS 21 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Company anticipate that the application of the above amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

**(c) Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”**

The Group has adopted Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. IAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 4 to the consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

The directors of the Company, chief operating decision-maker (the “CODM”) has been identified as the key management of the Group. The CODM reviews the Group’s internal reporting process in order to assess performance and allocate resources.

The CODM considers the business from both a business and geographic perspective for the purposes of resource allocation and assessment focuses on revenue analysis. From business perspective, CODM determines that the Group has only one operating and reportable segment, being the mobile’s application development and related accessories operating segments. No other discrete financial information is provided other than the Group’s result and financial position as a whole.

The Group’s revenue from its major products and services were as follow:

##### Disaggregation of revenue from contracts with customers

	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Revenue from contracts with customers within the scope of IFRS 15:		
Mobile’s application development and settlement application services	49,380	89,094
Computer and mobile related electronic products and services	21,579	–
	<u>70,959</u>	<u>89,094</u>
Timing of revenue recognition:		
At a point in time	67,839	89,094
Transferred over time	3,120	–
	<u>70,959</u>	<u>89,094</u>

##### Geographical information

The Group operates in two principal geographical areas – Hong Kong and the People’s Republic of China (“PRC”) (excluding Hong Kong). The Group’s revenue from end customers is divided into following geographical area and the Group’s non-current assets by geographical location:

	Revenue		Non-current assets	
	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>	2023 <i>HK\$’000</i>	2022 <i>HK\$’000</i>
Hong Kong	27,679	4,306	5,220	13,580
The PRC	43,280	84,788	–	–
Others	–	–	–	699
	<u>70,959</u>	<u>89,094</u>	<u>5,220</u>	<u>14,279</u>

##### Information about major customers

For both years, no single customer accounted for 10% or more of the Group’s total revenue and no information about major customers is presented accordingly.

## 5. LOSS FROM OPERATIONS

Loss from operations is stated after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Depreciation of property, plant and equipment	279	278
Amortisation of intangible assets	5,817	6,646
Auditor's remuneration		
– Audit services	680	630
Expenses relating to short term leases	729	751
Provision for ECL on trade receivables, bond receivables, deposits and other receivables	13,515	23,068
Staff costs, including directors' emoluments		
– Salaries and allowances	2,153	2,063
– Retirement benefit schemes contribution	50	31
– Share-based payment expenses	–	6,898
	<u>2,203</u>	<u>8,992</u>

## 6. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expense on other borrowings	167	–
Interest expense on bond payables	1,500	1,716
	<u>1,667</u>	<u>1,716</u>

## 7. INCOME TAX CREDIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
– The PRC	520	1,332
Deferred tax:		
Credited during the year	(1,456)	(1,661)
	<u>(936)</u>	<u>(329)</u>

## 8. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the Group's loss attributable to owners of the Company of approximately HK\$32,118,000 (2022: HK\$67,462,000) and weighted average number of ordinary shares in issue during the year ended 31 December 2023 of 603,545,948 (2022: 603,545,948).

The basic and diluted loss per share are the same for the years ended 31 December 2023 and 2022 as the effect of the share options does not have any dilutive effect.



## 9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2023 (2022: Nil).

## 10. TRADE RECEIVABLES

An ageing analysis of the trade receivables, arising from contracts with customers within the scope of IFRS 15 as at the end of the reporting period, based on the invoice date is as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
0 to 30 days	<b>5,632</b>	16,538
31 to 60 days	–	5,532
61 to 90 days	–	4,574
91 to 180 days	–	3,935
Over 180 days	<b>72,814</b>	35,003
	<b>78,446</b>	65,582
Less: Allowance for ECLs	<b>(32,327)</b>	(25,551)
	<b>46,119</b>	40,031

The credit terms of trade receivables are generally on 30-180 days (2022: 30-180 days) during the year ended 31 December 2023.

## 11. TRADE PAYABLES

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

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
0 to 30 days	<b>10,847</b>	196
31 to 60 days	–	–
61 to 90 days	–	13
Over 90 days	<b>2,215</b>	2,006
	<b>13,062</b>	2,215

The credit terms of trade payables are generally 0-60 days (2022: 0-60 days).

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The auditor of the Company issues a Disclaimer of Opinion on the financial statements of the Group for the year ended 31 December 2023. 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 and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. 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.

### **BASIS FOR DISCLAIMER OF OPINION**

Following the resignations of two independent non-executive directors on 18 October 2023 and 31 October 2023, and a director who also resigned as executive director and chief executive officer on 13 November 2023, the remaining two executive directors and one independent non-executive director were all removed from the board of directors at a special general meeting held on 31 January 2024. Moreover, the chief financial personnel of the Group’s certain subsidiaries (“**Certain Subsidiaries**”) also resigned. On the same date, the incoming directors who replaced those outgoing directors were appointed. Due to significant changes in the senior management and finance personnel around year-end, the incoming management and financial personnel are unable to exercise effective oversight to ensure the integrity of the books and records of Certain Subsidiaries within the Group. This was further compounded by the lack of time to hand over the books records of Certain Subsidiaries from the outgoing management.

During our audit, we identified that the accounting records and financial statements of Certain Subsidiaries left behind by the outgoing management and accounting personnel were incomplete. Moreover, more specific business records and the supporting explanations of Certain Subsidiaries, including but not limited to, (a) certain supporting documents of certain business transactions; and (b) detailed explanation on the accounting entries made, were not provided to us. We were unable to obtain sufficient appropriate audit evidence regarding the transactions and balances of Certain Subsidiaries of the Group. As a result, we were unable to carry out audit procedures to satisfy ourselves as to (a) the completeness of the transactions of the Group; (b) whether the income, expenses, assets, and liabilities of Certain Subsidiaries as set out below which formed part of the consolidated financial statements of the Group for the year ended 31 December 2023 have been accurately recorded and properly accounted for; (c) the accuracy of the consolidated statement of cash flows, revenue and segment information included in the consolidated financial statements for the year ended 31 December 2023; and (d) the accuracy and completeness of the disclosure regarding the contingent liabilities and commitments up to the date of approval of these consolidated financial statements.

The income and expenses of Certain Subsidiaries for the year ended 31 December 2023 and its assets and liabilities as at 31 December 2023 are set out as follows:

**Income and expenses for the year ended 31 December 2023**

	<i>HK\$'000</i>
<b>Revenue</b>	<b>43,280</b>
Cost of sales	<u>(23,258)</u>
<b>Gross profit</b>	<b>20,022</b>
Provision for expected credit losses on trade receivables and deposits and other receivables	<b>(6,664)</b>
Selling and administrative expenses	<u>(33,659)</u>
Loss before tax	<b>(20,301)</b>
Income tax expense credit	<u>310</u>
<b>Loss for the year</b>	<u><b>(19,991)</b></u>
<b>Other comprehensive income for the year, net of tax:</b>	
Items that may be subsequently reclassified to profit or loss:	
Exchange differences on translating foreign operations	<u>42</u>
<b>Total comprehensive loss for the year</b>	<u><b>(19,949)</b></u>
<b>Loss for the year attributable to:</b>	
Owners of the Company	<b>(19,976)</b>
Non-controlling interest	<u>(15)</u>
	<u><b>(19,991)</b></u>
<b>Total comprehensive loss for the year attributable to:</b>	
Owners of the Company	<b>(19,934)</b>
Non-controlling interest	<u>(15)</u>
	<u><b>19,949</b></u>

## Assets and liabilities at 31 December 2023

*HK\$'000*

### Non-current assets

Property, plant and equipment	534
Goodwill	4,686
Intangible assets	—
	<hr/>
	5,220
	<hr/>

### Current assets

Trade receivables	43,103
Deposits, prepayments and other receivables	271,647
Cash and bank balances	743
	<hr/>
	315,493
	<hr/>

**Total assets** 320,713

### Current liabilities

Trade payables	2,055
Accruals and other payables	4,312
Income tax payables	6,308
	<hr/>

**Total liabilities** 12,675

**Net assets** 308,038

Any adjustments to the figures as described above might have consequential effects on the consolidated financial performance and consolidated cash flows for the year ended 31 December 2023 and the consolidated financial positions of the Group as at 31 December 2023, and the related disclosures thereof in the consolidated financial statements.

Further, due to lack of access to complete accounting books and records and management personnel of Certain Subsidiaries, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether there was non-compliance with applicable laws and regulations by Certain Subsidiaries.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Business Review**

“Internet and Mobile’s Application and Related Accessories” is one of the Group’s main business. The Group specialised in providing programming and advertising solutions in mobile platform with branch office in Hong Kong and the PRC. The programming teams of the Group have extensive experience on developing mobile application and interactive virtual reality technologies for well-known companies in Hong Kong and overseas. The Group is also engaged in the business of distribution of computer-related and mobile-related electronic products and accessories, and provision of project based system solution services.

### **Dividend**

The Board maintains a cautious view and, having regarded to the requirement to retain cash, has decided not to recommend a dividend in respect of the year ended 31 December 2023 (2022: HK\$Nil).

### **Financial review**

#### ***Revenue***

The revenue of the Group was mainly attributable to the application development income generated in diversification into settlement application market. For the year ended 31 December 2023, the Group reported a total revenue of approximately HK\$71.0 million representing a decrease of 20.3% compared to approximately HK\$89.1 million in the same period in 2022.

#### ***Gross profit***

Gross profit in 2023 was HK\$25.2 million which was a decrease, as compared to a gross profit of HK\$40.9 million in the same period of 2022. The decrease are in line with the decrease in revenue of the Group.

#### ***Selling and administrative expenses***

Selling and administrative expenses, representing 53.5% (2022: 89.9%) of the Group’s revenues for the year decreased by approximately HK\$42.1 million from approximately HK\$80.1 million in 2022 to approximately HK\$38.0 million in the same period in 2023. The decrease in selling and administrative expenses are in line with the decrease in revenue of the Group.

#### ***Loss for the year***

The Group’s loss for the year was approximately HK\$31.2 million compared to loss of approximately HK\$68.7 million in the same period in 2022. The decrease of net loss was mainly attributable to the decrease of (i) provision for expected credit losses (“ECLs”) on trade receivables, bond receivables, deposits and other receivables and (ii) selling and administrative expenses.

### ***Loss attributable to owners of the Company***

Loss attributable to owners of the Company decreased from a loss of approximately HK\$67.5 million in 2022 to a loss of approximately HK\$32.1 million in the same period of 2023.

### **Review of the Group's financial position**

#### ***Liquidity and capital resources***

The Group has internal budgeting systems in place to ensure that if and when cash is committed to fund major expenditures there is sufficient cash flow to maintain the Group's daily operations and meet all of its contractual obligations.

The Group funds its operations with revenue from its operating activities. The Group also has cash inflows from interest income and collections. Key drivers in the Group's sources of cash are primarily the Group's sales, and their inflow depends on the Group's ability to collect receivables. There have been no material changes in the Group's underlying drivers during the period under review.

There were no assets charged or pledged as at 31 December 2023 (2022: HK\$ Nil).

The Group had cash and cash equivalents of approximately HK\$12.8 million as at 31 December 2023 compared to approximately HK\$6.7 million as at 31 December 2022.

#### **Capital commitments**

The Group had no capital commitments as at 31 December 2023 (2022: HK\$Nil).

#### **Gearing ratio**

As at 31 December 2023, the Group's gearing ratio was approximately 14.6%, as compared to 9.8% as at 31 December 2022. The gearing ratio was calculated as the Group's total liabilities divided by its total capital. The total liabilities and total capital of the Group were approximately HK\$48.7 million (2022: HK\$35.7 million) and HK\$332.9 million (2022: HK\$364.1 million) as at 31 December 2023.

#### **Contingent liabilities**

As at 31 December 2023, the Group had no contingent liabilities (2022: HK\$Nil). The Company has not been acted as a guarantor of its subsidiaries to secure any interest-bearing borrowings.

#### **Foreign exchange risk management**

Certain of the Group's bank balances are denominated in United States Dollars and Renminbi, each of which is a currency other than the functional currency of the relevant group entities, which exposes it to foreign currency risk. The Group has not used any financial instruments to hedge against this currency risk. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **HUMAN RESOURCES**

As at 31 December 2023, in addition to the Directors, there were approximately 21 employees (2022: 45) of the Group stationed in the Group's offices in Hong Kong and the PRC. Total staff costs for the year ended 31 December 2023 were approximately HK\$2.2 million, compared with approximately HK\$9.0 million in 2022.

The Group offers training and development courses for its employees to enhance the staff's working capabilities. Remuneration packages are linked to individual performance, the Group's business performance, and taking into consideration of the industry practices and market conditions, reviewed on an annual basis. Directors' remuneration is determined with reference to his duties and responsibilities with the Company, the Company's standards for emoluments and market conditions. Share options are also granted to eligible employees based on individual's performance as well as the Group's performance.

## **MANAGEMENT OUTLOOK**

The Group had continued the efforts to consolidate and realign its businesses to enable the Group to achieve improvements in its financial position. The Group will utilise its existing technical knowledge and programmers to diversify its income stream and will continue to work towards, attaining a stable platform for sustainability and basis for any potential growth.

By leveraging the knowledge on its interactive virtual reality programming on different business sectors, such as animation and culture, the Group obtained the license from the largest Japanese animation studio to conduct an interactive animation exhibition in Hong Kong in 2019. The Group will continue to explore the potential of this business opportunities and utilize its resource with prudence in the future.

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

The total number of issued share capital of the Company as at 31 December 2023 was 603,545,948 ordinary shares (2022: 603,545,948 shares).

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

## SIGNIFICANT INVESTMENTS

As at 31 December 2023, the Group had financial assets at FVTPL with a market value of approximately HK\$42.8 million. Details of the significant investments in the portfolio under financial assets at FVTPL are as follows:

Name of investee	Fair value gain/(loss) <i>HK\$'000</i>	Fair value as at 31 December 2023 <i>HK\$'000</i>	Percentage to	Fair value as at 31 December 2022 <i>HK\$'000</i>
			the Group's total assets as at 31 December 2023 %	
WLS Holdings Limited (“WLS”)	(6,532)	7,552	2.0%	14,084
China Investment and Finance Group Limited (“CIF”)	6,106	14,520	3.8%	8,414
Asia Grocery Distribution Limited (“AGD”)	(4,055)	1,356	0.4%	5,412
Milan Station Holdings Limited (“MSH”)	–	4,251	1.1%	4,251
Luxxu Group Limited (“LGL”)	(2,840)	907	0.2%	3,747
Harbour Digital Asset Capital Limited (“HDA”)	1,098	4,450	1.2%	3,352
Sub-total	(6,223)	33,036	8.7%	39,260
Other listed equity securities	1,166	9,781	2.6%	4,717
Total	(5,057)	42,817	11.2%	43,977

### Notes:

- (a) WLS is engaged in the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business, securities investment business and assets management business. Based on WLS’s interim result for the six months ended 31 October 2023, turnover and loss of WLS were approximately HK\$46.5 million and HK\$11.7 million respectively.
- (b) CIF is engaged in securities trading and investment holding. Based on CIF’s interim result for the six months ended 30 September 2023, revenue and loss of CIF were approximately HK\$2.7 million and HK\$27.7 million respectively.
- (c) AGD is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on AGD’s interim result for the six months ended 30 September 2023, turnover and loss of AGD were approximately HK\$145.6 million and HK\$0.4 million.
- (d) MSH is engaged in retailing of handbags, fashion accessories and embellishments and spa and wellness products. Based on MSH’s annual result for the year ended 31 December 2023, turnover and loss of MSH were approximately HK\$175.5 million and HK\$27.9 million respectively.
- (e) LGL is engaged in the manufacture and sales of own-branded watches and jewellerys, OEM watches and third-party watches. Based on LGL’s annual result for the year ended 31 December 2023, turnover and loss of LGL were approximately RMB31.7 million and RMB39.5 million respectively.
- (f) HDA is engaged in securities trading and investment holding. Based on HDA’s interim result for the six months ended 30 June 2023, revenue and loss of HDA were approximately HK\$5.7 million and HK\$33.3 million respectively.



The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, as at 31 December 2023, there was no investment held by the Group the value of which was more than 1% of the total assets of the Group

### **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 of the Group as set out in the announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on the announcement.

### **REVIEW BY AUDIT COMMITTEE**

The Company established an audit committee (the "**Audit Committee**") on 28 June 2004 with written terms of reference, which was revised on 18 December 2015, in compliance with the Listing Rules. The primary functions of the Audit Committee are to review and supervise the financial reporting systems, risk management and internal control systems of the Company and meet with the Company's auditors twice a year.

The Audit Committee is comprised of three members, namely Mr. Wong Sze Lok as chairman with Miss Peng Jing Yi and Mr. Tse Tung Leung, Tony, both independent non-executive Directors as members. The arrangement of the Audit Committee complied with the Rule 3.21 of the Listing Rules.

The Audit Committee performed its primary responsibility for monitoring the quality of risk management, internal control and financial reporting systems and ensuring that the performance of the Company's auditors relating to the Company's accounting and auditing matters are of good quality for the year ended 31 December 2023.

### **CORPORATE GOVERNANCE CODE**

In connection with the listing of the Company on the Stock Exchange in February 2009, the Company adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix C1 to the Listing Rules. The Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2023.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. The Directors during the Reporting Period were Mr. Li Jinglong, Mr. Zhang Ligong, Mr. Wang Zhongling, Mr. Cheng Ruixiong, Mr. Kwan King Wah and Ms. Lo Suet Lai. Since they were resigned or removed before the date of this announcement, the current Board cannot confirm whether they had complied with the Model Code throughout the year ended 31 December 2023.

## **CHANGE OF DIRECTORSHIP**

As at 1 January 2023, the executive Directors were Mr. Li Jinglong, Mr. Zhang Ligong and Mr. Wang Zhongling and the independent non-executive Directors were Mr. Cheng Ruixiong, Mr. Kwan King Wah and Ms. Lo Suet Lai.

Ms. Lo Suet Lai and Mr. Kwan King Wah respectively resigned as the independent non-executive Directors on 18 October 2023 and 31 October 2023. Mr. Wang Zhongling resigned as executive Director on 13 November 2023.

Pursuant to the ordinary resolutions passed by the Shareholders at the special general meeting of the Company held on 31 January 2024 (“**SGM**”), Mr. Li Jinglong and Mr. Zhang Ligong were removed as executive Directors with immediate effect after the conclusion of the SGM, and Mr. Cheng Ruixiong was removed as independent non-executive Director with immediate effect after the conclusion of the SGM.

Pursuant to the ordinary resolutions passed by the Shareholders at the SGM, Mr. Poon Chun Yin and Mr. Lin Chih Chia were appointed as executive Directors, and Miss Peng Jing Yi and Mr. Tse Tung Leung, Tony were appointed as independent non-executive Directors.

On 29 February 2024, Mr. Wong Sze Lok was appointed as independent non-executive Director.

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

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited and the webpage of the Company ([www.hklistco.com/802](http://www.hklistco.com/802)), respectively. The annual report 2023 will also be published on the aforesaid websites in due course.

By Order of the Board of  
**China e-Wallet Payment Group Limited**  
**Lin Chih Chia**  
*Executive Director*

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

Mr. Poon Chun Yin

Mr. Lin Chih Chia

*Independent Non-executive Directors:*

Miss Peng Jing Yi

Mr. Tse Tung Leung, Tony

Mr. Wong Sze Lok