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TOM Group Limited

TOM集團有限公司

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

(Stock Code: 2383)

## **FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **CHAIRMAN'S STATEMENT**

In 2023, TOM Group continued to focus on high growth potential sectors such as China rural e-commerce/supply chain, fintech and advanced data analytics, and at the same time continued to drive digital development for its publishing business.

Headwinds for 2023 included the strong US dollar, geopolitical tensions, cost inflation and higher interest rates, all of which affected business confidence and market sentiment. As a result, the Group's consolidated revenue decreased by 5.5% to HK\$784 million. Gross revenues from Media businesses and Technology Platform and Investments amounted to HK\$757 million and HK\$31 million respectively.

The Group's loss before net finance costs and taxation and loss attributable to shareholders were HK\$8 million and HK\$221 million respectively, driven by increased finance costs and lower reversal of impairment loss and dilution gain in relation to Ule in 2023. A reversal of impairment loss of approximately HK\$14 million and a goodwill impairment of approximately HK\$8 million, which are non-cash in nature, were recognised for the Group's investment in Ule and for Social Network Group respectively in 2023. Excluding such one-off effects, loss before net finance costs and taxation narrowed from HK\$65 million in 2022 to HK\$15 million.

Ule, the Group's investment in E-Commerce business with China Post, continued the development of its rural e-commerce business with a focus on supply chain innovation. After the completion of China Post HK's capital injection in 2022, Ule's total GMV increased by 47.8% to RMB18,107 million in 2023. A reversal of impairment loss of approximately HK\$14 million, which is non-cash in nature, was recognised in relation to the amount due from Ule in the year. This reversal of impairment loss is in addition to the reversal of impairment loss of approximately HK\$304 million as reported in 2022 Annual Report. The impairment loss was first recognised in 2020 Annual Report.

Pixnet, the Group's social digital media business, continues to be the largest user-generated content platform in Taiwan. Gross revenue of Pixnet was HK\$25 million and segment loss was HK\$15 million for the year. The Company has recognised an impairment loss of HK\$8 million by applying the expected cash flow approach to reflect the ongoing challenging market environment for Social Network Group.

The Publishing Group in Taiwan maintained its leadership position in its markets. Despite unfavorable exchange rate translation impact, the Publishing Group showed resilience and reported gross revenue of HK\$742 million and segment profit of HK\$73 million.

Going forward, management will remain focused on selectively pursuing growth opportunities while maintaining stable performance in our businesses. The Group will also maintain a prudent financial profile by closely monitoring operating and capital expenses and investments, and implementing disciplined cash flow and working capital management.

I would like to take this opportunity to thank our shareholders, business partners, the management and all our dedicated staff for their contribution to the Group.

**Frank John Sixt**  
*Chairman*

Hong Kong, 8 March 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FINANCIAL HIGHLIGHTS**

	For the year ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Consolidated revenue	784,446	830,121
Loss <sup>(1)</sup> before goodwill impairment, dilution gain, reversal of provision for impairment in amounts due from associated companies and reversal of provision for impairment in investments accounted for using the equity method	(15,179)	(64,618)
Goodwill impairment <sup>(2)</sup>	(7,504)	(18,103)
Gain on dilution of shareholding in associated companies <sup>(3)</sup>	–	65,131
Reversal of provision for impairment in amounts due from associated companies <sup>(3)</sup>	14,471	78,746
Reversal of provision for impairment in investments accounted for using the equity method <sup>(3)</sup>	–	225,322
(Loss)/profit before net finance costs and taxation	(8,212)	286,478
(Loss)/profit attributable to equity holders of the Company	(221,426)	142,420
(Loss)/earnings per share (HK cents)	(5.59)	3.60
Net liabilities	(1,290,461)	(925,226)

- (1) Being (loss)/profit before net finance costs and taxation (including share of results of investments accounted for using the equity method)
- (2) Goodwill impairment of HK\$7,504,000 in 2023 was related to social media business under Social Network Group (2022: Goodwill impairment of HK\$18,103,000 was related to a traditional advertising operation under Advertising Group)
- (3) Reversal of provision for impairment in amounts due from associated companies of HK\$14,471,000 (2022: Gain on dilution of shareholding in associated companies of HK\$65,131,000, reversal of provision for impairment in amounts due from associated companies of HK\$78,746,000 and reversal of provision for impairment in investments accounted for using the equity method of HK\$225,322,000) was related to the investment in Ule Holdings Limited

## **BUSINESS REVIEW**

In 2023, high inflation, rising interest rates and geopolitical tensions presented a challenging operating environment for businesses in the Greater China region. During the review period, TOM Group continued to drive a two-pronged strategy by maintaining its revenues from traditional media businesses, while accelerating its digital business development. Meanwhile, the Group stayed focused on achieving efficiencies and optimising costs to improve operating performance. Gross revenue from the Group's Media Business recorded a decrease of 3.5% to HK\$757 million with a segment profit of HK\$70 million. Gross revenue from the Group's Technology Platform and Investments was HK\$31 million with segment loss narrowing by 72.1% to HK\$11 million.

### **Media Business**

TOM Group's media and publishing arm in Taiwan, Cite, continued its growth trajectory in the digital arena. *Business Weekly*, the Group's flagship publication, launched an array of digital products and services targeted to various customer groups, while maintaining its business performance in traditional publishing. Other business units of the Publishing Group also demonstrated product innovation and industry expertise by taking leading positions at the forefront of the market and offering media products and services that were well received by users. During the review period, gross revenue was HK\$742 million and segment profit was HK\$73 million.

During the review period, the Group's traditional advertising business in Mainland China recorded a gross revenue of HK\$15 million and a segment loss of HK\$2 million.

### **Technology Platform and Investments**

Pixnet, the Group's social digital media business, is the largest user-generated content platform in Taiwan focusing on food, lifestyle and travel. During the review period, Pixnet invested in digital products and services to enhance engagement and interaction with KOLs, brands, merchants and users on the platform. In the midst of economic headwinds and declining market sentiment in Taiwan, Pixnet's gross revenue was HK\$25 million and segment loss was HK\$15 million during the review period. Nevertheless, Pixnet continued to rank top of the list in many categories including Travel, Lifestyle & Food in ComScore, a well-recognised ranking system among brand owners and advertisers for assessing the performance of media platforms. Going forward, Pixnet is well poised to regain growth momentum with its new product and service offerings when the Taiwan economy expects to rebound in 2024.

TOM Group invested in WeLab, a leading pan-Asian fintech platform, in 2014. WeLab operates two digital banks as well as multiple online financial services in Hong Kong, Mainland China, Indonesia, and Malaysia. With more than 60 million users, WeLab has facilitated and originated over US\$13 billion of loans. WeLab uses game-changing technology to help customers access credit, save money, and enjoy their financial journey. Powered by proprietary risk management technology, patented privacy computing techniques, and advanced AI capabilities, WeLab offers mobile-based consumer financing solutions and digital banking services to retail individuals and technology solutions to enterprise customers. WeLab operates in four markets under multiple brands, including WeLend and WeLab Bank in Hong Kong, various business lines in Mainland China, Maucash and Bank Saqu by Bank Jasa Jakarta in Indonesia. In Hong Kong, WeLab Bank is recognised as the most innovative company and is also one of the first fully licensed digital banks in Asia. As at 31 December 2023, TOM Group owns 8.03% in WeLab on an issued basis.

In March 2020, TOM Group invested in MioTech. In the past three years, MioTech has grown into the largest sustainability data and software provider in Asia. In 2023, its software ESGhub has gained significant traction in Mainland China and Hong Kong, overtaking many consulting firms as a major player in sustainability reporting and data management. On the data side, MioTech further cemented its leading position as the best ESG data provider in Asia, as it expands its clientele and use cases among financial institutions. As at 31 December 2023, TOM Group owns 6.22% of MioTech on an issued basis.

Ule, the Group's investment in E-Commerce business with China Post, continued the development of its rural e-commerce business with a focus on supply chain innovation. After the completion of China Post HK's capital injection in 2022, Ule's total GMV increased by 47.8% to RMB18,107 million in 2023.

For the year ended 31 December 2023, the Group recorded a 5.5% decrease in revenue to HK\$784 million with a gross profit margin of 41.3%. The Group's loss before net finance costs and taxation and loss attributable to shareholders were HK\$8 million and HK\$221 million respectively, driven by increased finance costs and lower reversal of impairment loss and dilution gain in relation to Ule in 2023. A reversal of impairment loss of approximately HK\$14 million and a goodwill impairment of approximately HK\$8 million, which are non-cash in nature, were recognised for the Group's investment in Ule and for Social Network Group respectively in 2023. Excluding such one-off effects, loss before net finance costs and taxation narrowed from HK\$65 million in 2022 to HK\$15 million.

Going forward, TOM Group will continue to prudently manage its operations and investments, and accelerate its digital business growth to capture market opportunities in the Greater China region.

## **FINANCIAL REVIEW**

TOM Group reports its results in five business segments under two business streams, namely E-Commerce Group, Mobile Internet Group and Social Network Group of Technology Platform and Investments, and Publishing Group and Advertising Group of Media Business.

### **Consolidated Revenue**

The Group recorded a consolidated revenue of HK\$784 million, represented a decrease of 5.5% compared to last year. This was mainly driven by the unfavorable translation impacts of foreign exchange rate against Hong Kong dollars during the year and the Group continued to be impacted by the geopolitical tensions, and global economic uncertainties as a result of rising borrowing interest rate.

### **Segment Results**

The segment result refers to profit/loss before net finance costs and taxation, share of results of investments accounted for using the equity method, gain on dilution of shareholding in associated companies, provision for impairment of goodwill, reversal of provision for impairment in investments accounted for using the equity method and reversal of provision for impairment in amounts due from associated companies.

TOM Group continues to focus on high growth potential sectors such as China rural e-commerce/supply chain, fintech and advanced data analytics. Ule, the Group's investment in E-Commerce business with China Post, continued the development of its rural e-commerce business with a focus on supply chain innovation. After the completion of China Post HK's capital injection in 2022, Ule's total GMV increased by 47.8% to RMB18,107 million in 2023. A reversal of impairment loss of approximately HK\$14 million, which is non-cash in nature, was recognised in relation to amount due from Ule in 2023. This reversal of impairment loss is in addition to the reversal of impairment loss of approximately HK\$304 million as reported in 2022 Annual Report.

The Mobile Internet Group reported gross revenue of HK\$6 million comparing to HK\$7 million in last year. The segment loss of HK\$8 million was recorded in 2023.

The Social Network Group, represented by Pixnet, continues to be the largest user-generated content platform in Taiwan focusing on food, lifestyle and travel. Gross revenue was reported at HK\$25 million with a segment loss before provision for impairment loss of goodwill of HK\$15 million. A goodwill impairment of approximately HK\$8 million, which is non-cash in nature, was recognised to reflect the ongoing challenging market environment for Social Network Group.

The Publishing Group continues to be the market leader in Taiwan publishing industry. Despite the impacts of unfavorable exchange rate translation and the challenging market, the Publishing Group demonstrated its innovation and resilience and recorded a gross revenue of HK\$742 million with segment profit of HK\$73 million. The Group will remain focused on operational efficiency of this business segment while accelerating the development of digital offerings and pursuing revenue stream diversification to tap into growth opportunities.

The traditional advertising market in Mainland China was affected by economic uncertainty and the Advertising Group recorded a gross revenue of HK\$15 million with segment loss of HK\$2 million in 2023.

### **Share of Results of Investments Accounted for Using the Equity Method**

The share of results is mainly contributed by the Group's share of result of Ule.

### **(Loss)/Profit before Net Finance Costs and Taxation**

The Group's loss before net finance costs and taxation amounted to HK\$8 million, compared to profit before net finance costs and taxation of HK\$286 million in last year. In 2022, gain on dilution of shareholding in associated companies of approximately HK\$65 million, reversal of impairment losses of approximately HK\$225 million and approximately HK\$79 million were recognised for the Group's investments accounted for using the equity method and amounts due from associated companies respectively. A reversal of provision for impairment losses of approximately HK\$14 million in relation to the Group's amounts due from Ule was further recognised in 2023 to reflect the reduction in credit risk subsequent to settlement of amounts due from Ule in January 2023. The impairment losses being reversed in this year was first recognised in 2020 annual results.

Excluding one-off effects for 2022 and 2023 such as gain on dilution of shareholding in associates and reversal of provision for impairment in relation to Ule, and the provision for impairment of goodwill for Social Network Group of approximately HK\$8 million in 2023, the recurring loss before net finance costs and taxation was HK\$15 million, narrowed from HK\$65 million in last year. The narrowing of loss was primarily attributable to less loss shared from associates and stringent costs control during the year.

### **(Loss)/Profit Attributable to Equity Holders of the Company**

The Group's loss attributable to equity holders of the Company was HK\$221 million, compared to a profit of HK\$142 million in last year. The loss was primarily driven by increased finance costs and lower reversal of impairment loss and dilution gain in relation to Ule in 2023.

## **Liquidity and Financial Resources**

As at 31 December 2023, TOM Group had cash and bank balances, including short-term bank deposits but excluding pledged deposits, of approximately HK\$538 million. A total of HK\$4,520 million financing facilities were available, of which HK\$3,661 million, or 81.0%, had been utilised as at 31 December 2023, to finance the Group's investment, capital expenditures and for working capital purposes.

The principal of the total borrowings of TOM Group amounted to approximately HK\$3,661 million as at 31 December 2023, which are denominated in Hong Kong dollar. The borrowings included long-term bank loans of approximately HK\$3,661 million. All bank loans bore floating interest rates. The gearing ratio (Total principal amount of bank borrowings/(Total principal amount of bank borrowings + Deficit)) of TOM Group was 154.4% as at 31 December 2023, compared to 135.6% as at 31 December 2022.

As at 31 December 2023, the Group had net current assets of approximately HK\$335 million, compared to the balance of approximately HK\$426 million as at 31 December 2022. The current ratio (Current assets/Current liabilities) of TOM Group was 1.62 as at 31 December 2023, compared to 1.73 as at 31 December 2022. The Group recorded net liabilities of approximately HK\$1,290 million as at 31 December 2023, compared to net liabilities of HK\$925 million as at 31 December 2022.

In 2023, net cash outflow from operating activities after interest and taxation paid was HK\$60 million. Net cash inflow from investing activities was HK\$9 million, mainly due to settlement of amounts due from Ule of approximately HK\$180 million and dividends received of HK\$7 million, partially offset by capital expenditures of HK\$117 million, increase in short-term bank deposits of HK\$44 million and investments in financial assets at fair value through other comprehensive income of HK\$17 million. During the year, net cash inflow from financing activities amounted to HK\$67 million, mainly from the drawdown of bank loans and net of repayment, of HK\$134 million, partially offset by lease principal payment of HK\$24 million, payment of loan arrangement fee of HK\$30 million and dividends paid to non-controlling interests of subsidiaries of HK\$8 million.

## **Charges on Group Assets**

As at 31 December 2023, the Group had restricted cash amounting to HK\$7 million, being bank deposits mainly pledged in favour of certain publishing distributors as retainer fee for potential sales return, and banks as security for credit card and advance receipt in Taiwan.

## **Contingent Liabilities**

As at 31 December 2023, the Group had no significant contingent liabilities.



## **Subsequent Events**

There is no subsequent event after the reporting period which has material impact to the consolidated financial statements of the Group.

## **Foreign Exchange Exposure**

The Group's operations principally locate in Mainland China and Taiwan, with transactions and related working capital denominated in Renminbi and New Taiwan dollar respectively. In general, it is the Group's policy for each operating entity to borrow in their local currencies, where necessary, to minimise currency risk. Overall, the Group is not exposed to significant foreign exchange risk, however, the Group will monitor this risk on an ongoing basis.

## **Employee Information**

As at 31 December 2023, TOM Group had approximately 1,200 full-time employees. Employee costs, excluding Directors' emoluments, amounting to HK\$308 million for the year. All of the TOM Group companies are equal opportunity employers, with the selection and promotion of individuals being based on suitability for the position offered. The salary and benefit levels of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of TOM Group's salary and bonus system, which is reviewed annually. A wide range of benefits including medical coverage and provident funds are also provided to employees. In addition, training and development programmes are provided on an ongoing basis throughout TOM Group. Social, sporting and recreational activities were arranged during the year for the employees on a Group-wide basis. Further information in relation to our employment and labour practices is set out in the standalone Sustainability Report to be published in March 2024.

### **Disclaimer:**

#### **Non-GAAP measures**

Certain non-GAAP (generally accepted accounting principles) measures, such as profit/(loss) before net finance costs and taxation including share of results of investments accounted for using the equity method and excluding gain on dilution of shareholding in associated companies, provision for impairment of goodwill, reversal of provision for impairment in amounts due from associated companies and reversal of provision for impairment in investments accounted for using the equity method, and segment profit/(loss) are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported certain non-GAAP results to investors, it is considered the inclusion of non-GAAP measures provides consistency in the Group's financial reporting.

**AUDITED CONSOLIDATED RESULTS  
CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 HK\$'000	2022 HK\$'000
Revenue	2	<u>784,446</u>	<u>830,121</u>
Cost of sales		(460,663)	(481,224)
Selling and marketing expenses		(123,982)	(126,794)
Administrative expenses		(67,383)	(75,205)
Other operating expenses, net	5	(132,166)	(142,688)
Other gains, net	6	<u>3,479</u>	<u>45,267</u>
		3,731	49,477
Provision for impairment of goodwill	3	(7,504)	(18,103)
Reversal of provision for impairment in amounts due from associated companies	3	<u>14,471</u>	<u>78,746</u>
		10,698	110,120
Share of profits less losses of investments accounted for using the equity method		(18,910)	(48,964)
Reversal of provision for impairment in investments accounted for using the equity method	3	<u>–</u>	<u>225,322</u>
	4	<u>(18,910)</u>	<u>176,358</u>
(Loss)/profit before net finance costs and taxation	7	(8,212)	286,478
Finance income		5,271	2,753
Finance costs		<u>(194,660)</u>	<u>(86,609)</u>
Finance costs, net	8	<u>(189,389)</u>	<u>(83,856)</u>
(Loss)/profit before taxation		(197,601)	202,622
Taxation	9	<u>(13,862)</u>	<u>(17,429)</u>
(Loss)/profit for the year		<u>(211,463)</u>	<u>185,193</u>
Attributable to:			
– Non-controlling interests		<u>9,963</u>	<u>42,773</u>
– Equity holders of the Company		<u>(221,426)</u>	<u>142,420</u>
(Loss)/earnings per share attributable to equity holders of the Company during the year			
Basic and diluted	11	<u>HK(5.59) cents</u>	<u>HK3.60 cents</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 HK\$'000	2022 HK\$'000
<b>(Loss)/profit for the year</b>	(211,463)	185,193
<b>Other comprehensive (expense)/income for the year, net of tax</b>		
– <b>Items that will not be reclassified to income statement:</b>		
Remeasurement of defined benefit plans	26	461
Revaluation deficit of financial assets at fair value through other comprehensive income	(138,394)	(52,757)
Share of revaluation surplus/(deficit) through other comprehensive income from an associated company	257	(36)
	<u>(138,111)</u>	<u>(52,332)</u>
– <b>Items that may be reclassified to income statement:</b>		
Exchange translation differences	(4,838)	(43,771)
Release of exchange reserve upon dilution of shareholding in associated companies	–	3,671
	<u>(4,838)</u>	<u>(40,100)</u>
	<u>(142,949)</u>	<u>(92,432)</u>
<b>Total comprehensive (expense)/income for the year</b>	<u>(354,412)</u>	<u>92,761</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>		
– Non-controlling interests	<u>(769)</u>	<u>29,009</u>
– Equity holders of the Company	<u>(353,643)</u>	<u>63,752</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 HK\$'000	2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Fixed assets		18,033	20,740
Right-of-use assets		89,500	19,164
Investment properties		18,857	21,246
Goodwill		501,883	509,396
Other intangible assets		137,571	135,967
Investments accounted for using the equity method	4	374,996	401,060
Financial assets at fair value through other comprehensive income		913,992	1,035,172
Deferred tax assets		64,697	45,793
Pension assets		2,849	2,216
Other non-current assets		5,279	1,676
		<u>2,127,657</u>	<u>2,192,430</u>
<b>Current assets</b>			
Inventories		93,474	92,778
Trade and other receivables	12	241,221	429,170
Short-term deposit with original maturity over 3 months		43,680	–
Restricted cash		7,317	6,176
Cash and cash equivalents		494,551	481,668
		<u>880,243</u>	<u>1,009,792</u>
<b>Current liabilities</b>			
Trade and other payables	13	498,504	534,537
Taxation payable		27,367	31,626
Lease liabilities – current portion		19,035	17,255
		<u>544,906</u>	<u>583,418</u>
<b>Net current assets</b>		<u>335,337</u>	<u>426,374</u>
<b>Total assets less current liabilities</b>		<u>2,462,994</u>	<u>2,618,804</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2023**

	2023 HK\$'000	2022 HK\$'000
<b>Non-current liabilities</b>		
Deferred tax liabilities	26,186	9,027
Long-term bank loans – non-current portion	3,648,756	3,526,297
Lease liabilities – non-current portion	71,713	2,152
Pension obligations	6,800	6,554
	<u>3,753,455</u>	<u>3,544,030</u>
<b>Net liabilities</b>	<u>(1,290,461)</u>	<u>(925,226)</u>
<b>EQUITY</b>		
<b>Equity attributable to the Company's equity holders</b>		
Share capital	395,852	395,852
Deficits	(1,985,032)	(1,631,389)
Own shares held	(6,244)	(6,244)
	<u>(1,595,424)</u>	<u>(1,241,781)</u>
Non-controlling interests	304,963	316,555
<b>Total deficit</b>	<u>(1,290,461)</u>	<u>(925,226)</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to equity holders of the Company													
	Share capital HK\$'000	Own shares held HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	General reserve HK\$'000	Fair value through other comprehensive income reserve HK\$'000	Properties revaluation reserve HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total shareholders' deficits HK\$'000	Non-controlling interests HK\$'000	Total deficit HK\$'000
Balance at 1 January 2023	395,852	(6,244)	3,744,457	(75,210)	776	94,280	471,295	14,625	663,549	6,096	(6,551,257)	(1,241,781)	316,555	(925,226)
<b>Comprehensive income:</b>														
Loss for the year	-	-	-	-	-	-	-	-	-	-	(221,426)	(221,426)	9,963	(211,463)
<b>Other comprehensive income:</b>														
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	167	167	(141)	26
Revaluation deficit of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(123,904)	-	-	-	-	(123,904)	(14,490)	(138,394)
Share of revaluation surplus through other comprehensive income from an associated company	-	-	-	-	-	-	232	-	-	-	-	232	25	257
Exchange translation differences	-	-	-	-	-	-	-	-	(8,712)	-	-	(8,712)	3,874	(4,838)
Total comprehensive expense for the year ended 31 December 2023	-	-	-	-	-	-	(123,672)	-	(8,712)	-	(221,259)	(353,643)	(769)	(354,412)
<b>Transactions with equity holders:</b>														
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(8,384)	(8,384)
Cash returned to non-controlling interests upon deregistration of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(2,439)	(2,439)
Transfer to general reserve	-	-	-	-	-	727	-	-	-	-	(727)	-	-	-
Transfer to accumulated losses	-	-	-	-	-	(4,700)	-	-	-	-	4,700	-	-	-
Transactions with equity holders	-	-	-	-	-	(3,973)	-	-	-	-	3,973	-	(10,823)	(10,823)
Balance at 31 December 2023	395,852	(6,244)	3,744,457	(75,210)	776	90,307	347,623	14,625	654,837	6,096	(6,768,543)	(1,595,424)	304,963	(1,290,461)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Attributable to equity holders of the Company													
	Share capital HK\$'000	Own shares held HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	General reserve HK\$'000	Fair value through other comprehensive income reserve HK\$'000	Properties revaluation reserve HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total shareholders' deficits HK\$'000	Non-controlling interests HK\$'000	Total deficit HK\$'000
Balance at 1 January 2022	395,852	(6,244)	3,744,457	(75,210)	776	169,200	520,810	14,625	692,114	6,096	(6,768,009)	(1,305,533)	294,967	(1,010,566)
<b>Comprehensive income:</b>														
Profit for the year	-	-	-	-	-	-	-	-	-	-	142,420	142,420	42,773	185,193
<b>Other comprehensive income:</b>														
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	(588)	(588)	1,049	461
Revaluation deficit of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(49,482)	-	-	-	-	(49,482)	(3,275)	(52,757)
Share of revaluation deficit through other comprehensive income from an associated company	-	-	-	-	-	-	(33)	-	-	-	-	(33)	(3)	(36)
Exchange translation differences	-	-	-	-	-	-	-	-	(31,869)	-	-	(31,869)	(11,902)	(43,771)
Release of exchange reserve upon dilution of shareholding in associated companies	-	-	-	-	-	-	-	-	3,304	-	-	3,304	367	3,671
Total comprehensive income/(expense) for the year ended 31 December 2022	-	-	-	-	-	-	(49,515)	-	(28,565)	-	141,832	63,752	29,009	92,761
<b>Transactions with equity holders:</b>														
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(7,421)	(7,421)
Transfer to general reserve	-	-	-	-	-	1,411	-	-	-	-	(1,411)	-	-	-
Transfer to accumulated losses	-	-	-	-	-	(76,331)	-	-	-	-	76,331	-	-	-
Transactions with equity holders	-	-	-	-	-	(74,920)	-	-	-	-	74,920	-	(7,421)	(7,421)
Balance at 31 December 2022	395,852	(6,244)	3,744,457	(75,210)	776	94,280	471,295	14,625	663,549	6,096	(6,551,257)	(1,241,781)	316,555	(925,226)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Basis of preparation and accounting policies

This financial information is extracted from the Group's audited consolidated financial statements, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The consolidated financial statements have been prepared under the historical cost convention except that financial assets at fair value through other comprehensive income ("FVOCI"), defined benefit plan assets, investment properties and investments accounted for using the equity method, of which the retained interests are remeasured to the fair value at the date when the Group lost control in the subsidiaries which became investments accounted for using the equity method of the Group.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

In preparing these consolidated financial statements, the Group has taken into account all information that could reasonably be expected to be available and has ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 31 December 2023, the Group had net liabilities of HK\$1,290 million. The Group also has undrawn banking facilities guaranteed by one of its substantial shareholders. Given the availability of these undrawn banking facilities, the Group considers it will have adequate financial resources to enable it to operate and meet its liabilities and commitments as and when they fall due within the next 12 months from the end of the reporting period. Accordingly, the Group has prepared these consolidated financial statements on a going concern basis.

In the current year, the Group has adopted all the amendments to standards and interpretation issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2023.

The adoption of HKAS 12 (Amendments) – Deferred Tax related to Assets and Liabilities from a Single Transaction requires the Group to recognise deferred tax for all temporary differences related to leases. The retrospective application from 1 January 2022 primarily impacts disclosures of components of deferred tax assets and liabilities before offsetting, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as at 1 January 2022 and 31 December 2022, as the related deferred tax balances qualify for offsetting under HKAS 12.

The adoption of other amendments to standards and interpretation does not have a material impact on the Group's accounting policies.



## **2 Revenue and segment information**

The Group has five reportable operating segments:

- E-Commerce Group – provision of services to users using the mobile and Internet-based marketplace and provision of technical services for e-commerce/supply chain operations.
- Mobile Internet Group – provision of mobile Internet services, online advertising and commercial enterprise solutions.
- Social Network Group – provision of services of online community and social networking websites and related online advertising.
- Publishing Group – magazine and book publishing and circulation, sales of advertising and other related products.
- Advertising Group – provision of media sales, event production and marketing services.

Sales between segments are carried out at arm's length.

## 2 Revenue and segment information (Continued)

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

	Year ended 31 December 2023							Total HK\$'000
	Technology Platform and Investments				Media Business			
	E-Commerce Group HK\$'000	Mobile Internet Group HK\$'000	Social Network Group HK\$'000	Sub-total HK\$'000	Publishing Group HK\$'000	Advertising Group HK\$'000	Sub-total HK\$'000	
Gross segment revenue	-	6,169	25,185	31,354	741,833	14,981	756,814	788,168
Inter-segment revenue	-	-	(2,491)	(2,491)	(989)	(242)	(1,231)	(3,722)
Net revenue from external customers	-	6,169	22,694	28,863	740,844	14,739	755,583	784,446
Timing of revenue recognition:								
At a point in time	-	1,010	22,694	23,704	694,460	638	695,098	718,802
Over time	-	5,159	-	5,159	46,384	14,101	60,485	65,644
	-	6,169	22,694	28,863	740,844	14,739	755,583	784,446
Segment profit/(loss) before amortisation and depreciation	11,750	(6,383)	(12,176)	(6,809)	204,943	(2,221)	202,722	195,913
Amortisation and depreciation	(3)	(1,409)	(2,629)	(4,041)	(132,408)	(3)	(132,411)	(136,452)
Segment profit/(loss)	11,747	(7,792)	(14,805)	(10,850)	72,535	(2,224)	70,311	59,461
Other material items:								
Provision for impairment of goodwill	-	-	(7,504)	(7,504)	-	-	-	(7,504)
Reversal of provision for impairment in amounts due from associated companies	3,134	11,091	-	14,225	-	-	-	14,225
Share of profits less losses of investments accounted for using the equity method	(24,418)	(4)	-	(24,422)	5,512	-	5,512	(18,910)
	(21,284)	11,087	(7,504)	(17,701)	5,512	-	5,512	(12,189)
Finance costs:								
Finance income (note a)	4	2,904	35	2,943	6,086	386	6,472	9,415
Finance expenses	-	(54)	(42)	(96)	(486)	-	(486)	(582)
	4	2,850	(7)	2,847	5,600	386	5,986	8,833
Segment profit/(loss) before taxation	(9,533)	6,145	(22,316)	(25,704)	83,647	(1,838)	81,809	56,105
Unallocated corporate expenses								(253,706)
Loss before taxation								(197,601)
Expenditure for operating segment non-current assets	-	2,413	5,481	7,894	206,263	-	206,263	214,157
Unallocated expenditure for non-current assets								-
Total expenditure for non-current assets								214,157

Note (a):

Inter-segment interest income amounted to HK\$4,144,000 was included in the finance income.

## 2 Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2023 are as follows:

	As at 31 December 2023							Total HK\$'000
	Technology Platform and Investments				Media Business			
	E-Commerce Group HK\$'000	Mobile Internet Group HK\$'000	Social Network Group HK\$'000	Sub-total HK\$'000	Publishing Group HK\$'000	Advertising Group HK\$'000	Sub-total HK\$'000	
Segment assets	199,412	714,747	21,607	935,766	1,458,065	55,583	1,513,648	2,449,414
Investments accounted for using the equity method	364,556	3,172	–	367,728	7,268	–	7,268	374,996
Unallocated assets								183,490
Total assets								<u>3,007,900</u>
Segment liabilities	14,976	21,776	13,424	50,176	452,597	12,154	464,751	514,927
Unallocated liabilities:								
Corporate liabilities								81,125
Current taxation								27,367
Deferred taxation								26,186
Borrowings								3,648,756
Total liabilities								<u>4,298,361</u>

## 2 Revenue and segment information (Continued)

The segment results for the year ended 31 December 2022 are as follows:

	Year ended 31 December 2022							Total HK\$'000
	Technology Platform and Investments				Media Business			
	E-Commerce Group HK\$'000	Mobile Internet Group HK\$'000	Social Network Group HK\$'000	Sub-total HK\$'000	Publishing Group HK\$'000	Advertising Group HK\$'000	Sub-total HK\$'000	
Gross segment revenue	3,168	7,037	36,891	47,096	764,982	19,159	784,141	831,237
Inter-segment revenue	-	-	(866)	(866)	-	(250)	(250)	(1,116)
Net revenue from external customers	<u>3,168</u>	<u>7,037</u>	<u>36,025</u>	<u>46,230</u>	<u>764,982</u>	<u>18,909</u>	<u>783,891</u>	<u>830,121</u>
Timing of revenue recognition:								
At a point in time	-	1,261	36,025	37,286	702,209	1,116	703,325	740,611
Over time	<u>3,168</u>	<u>5,776</u>	<u>-</u>	<u>8,944</u>	<u>62,773</u>	<u>17,793</u>	<u>80,566</u>	<u>89,510</u>
	<u>3,168</u>	<u>7,037</u>	<u>36,025</u>	<u>46,230</u>	<u>764,982</u>	<u>18,909</u>	<u>783,891</u>	<u>830,121</u>
Segment profit/(loss) before amortisation and depreciation	(25,922)	(5,768)	(2,208)	(33,898)	224,673	(278)	224,395	190,497
Amortisation and depreciation	<u>(3)</u>	<u>(612)</u>	<u>(4,323)</u>	<u>(4,938)</u>	<u>(137,860)</u>	<u>(67)</u>	<u>(137,927)</u>	<u>(142,865)</u>
Segment profit/(loss)	<u>(25,925)</u>	<u>(6,380)</u>	<u>(6,531)</u>	<u>(38,836)</u>	<u>86,813</u>	<u>(345)</u>	<u>86,468</u>	<u>47,632</u>
Other material items:								
Gain on dilution of shareholding in associated companies	65,131	-	-	65,131	-	-	-	65,131
Provision for impairment of goodwill	-	-	-	-	-	(18,103)	(18,103)	(18,103)
Reversal of provision for impairment in amounts due from associated companies	14,139	63,215	-	77,354	-	-	-	77,354
Share of profits less losses of investments accounted for using the equity method	(54,312)	(228)	-	(54,540)	5,576	-	5,576	(48,964)
Reversal of provision for impairment in investments accounted for using the equity method	<u>225,322</u>	<u>-</u>	<u>-</u>	<u>225,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,322</u>
	<u>250,280</u>	<u>62,987</u>	<u>-</u>	<u>313,267</u>	<u>5,576</u>	<u>(18,103)</u>	<u>(12,527)</u>	<u>300,740</u>
Finance costs:								
Finance income (note a)	4	1,356	13	1,373	2,979	618	3,597	4,970
Finance expenses	<u>-</u>	<u>(23)</u>	<u>(22)</u>	<u>(45)</u>	<u>(430)</u>	<u>-</u>	<u>(430)</u>	<u>(475)</u>
	<u>4</u>	<u>1,333</u>	<u>(9)</u>	<u>1,328</u>	<u>2,549</u>	<u>618</u>	<u>3,167</u>	<u>4,495</u>
Segment profit/(loss) before taxation	<u>224,359</u>	<u>57,940</u>	<u>(6,540)</u>	<u>275,759</u>	<u>94,938</u>	<u>(17,830)</u>	<u>77,108</u>	<u>352,867</u>
Unallocated corporate expenses								<u>(150,245)</u>
Profit before taxation								<u>202,622</u>
Expenditure for operating segment non-current assets	-	1,266	3,221	4,487	122,817	5	122,822	127,309
Unallocated expenditure for non-current assets								<u>93</u>
Total expenditure for non-current assets								<u>127,402</u>

Note (a):

Inter-segment interest income amounted to HK\$2,217,000 was included in the finance income.

## 2 Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2022 are as follows:

	As at 31 December 2022							Total HK\$'000
	Technology Platform and Investments				Media Business			
	E-Commerce Group HK\$'000	Mobile Internet Group HK\$'000	Social Network Group HK\$'000	Sub-total HK\$'000	Publishing Group HK\$'000	Advertising Group HK\$'000	Sub-total HK\$'000	
Segment assets	268,044	937,358	28,983	1,234,385	1,348,525	63,606	1,412,131	2,646,516
Investments accounted for using the equity method	390,638	3,257	–	393,895	7,165	–	7,165	401,060
Unallocated assets								154,646
Total assets								<u>3,202,222</u>
Segment liabilities	20,652	25,103	11,813	57,568	398,610	12,847	411,457	469,025
Unallocated liabilities:								
Corporate liabilities								91,473
Current taxation								31,626
Deferred taxation								9,027
Borrowings								3,526,297
Total liabilities								<u>4,127,448</u>

The unallocated assets represent the corporate assets. The unallocated liabilities represent the corporate liabilities in addition to operating segment taxation payable, deferred tax liabilities and borrowings which are managed on a central basis.

**3 Provision/(reversal of provision) for impairment in investments accounted for using the equity method, goodwill and amounts due from associated companies**

	2023 HK\$'000	2022 HK\$'000
Provision/(reversal of provision) for impairment in respect of:		
Investments accounted for using the equity method (note a) (note 4)	–	(225,322)
Amounts due from associated companies (note a)	(14,471)	(78,746)
Goodwill (note b)	7,504	18,103
	<u>7,504</u>	<u>18,103</u>

Notes:

- (a) For the year ended 31 December 2023, a reversal of provision for impairment amounting to HK\$14,471,000 in relation to the Group's amounts due from associated companies has been further recognised in the consolidated income statement to reflect the reduction in credit risk for amounts due from Ule Holdings Limited ("Ule") and its subsidiaries ("Ule Holdings Group") subsequent to the settlement of RMB155,000,000 from Ule during the year.

As at 30 June 2022, substantial progress had been made for the subscription of Ule and as of the period end only administrative processing procedures were outstanding for completion. With reference to latest completion progress of the subscription of Ule, it was considered Ule Holdings Group's recoverable amount had been changed since the last impairment test and accordingly, an impairment assessment as at 30 June 2022 had been performed. In addition, the Group also considered there had been reduction in credit risk for amounts due from Ule Holdings Group. As a result of the impairment assessment of investments accounted for using the equity method and expected credit loss assessment of amounts due from associated companies, reversal of provisions for impairment in investments accounted for using the equity method amounting to HK\$225,322,000 and amounts due from associated companies amounting to HK\$74,161,000 were recognised respectively in the period ended 30 June 2022. The subscription of Ule was completed in July 2022. Further reversal of provisions for impairment in amounts due from associated companies amounting to HK\$4,585,000 subsequent to 30 June 2022 and a total amount of HK\$78,746,000 was recognised in the year ended 31 December 2022.

- (b) The provision for impairment of goodwill made for the year ended 31 December 2023 was related to social media business under the Social Network Group (2022: related to traditional advertising operation under the Advertising Group). The provision for impairment of goodwill was made with reference to the reduced estimated recoverable value of the cash-generating unit in the above-mentioned segment. The estimated recoverable values were determined based on higher of value-in-use or fair value less costs of disposal.

#### 4 Investments accounted for using the equity method

The amounts recognised in the consolidated statement of financial position are as follows:

	2023 HK\$'000	2022 HK\$'000
Associated companies, as at 31 December	<u>374,996</u>	<u>401,060</u>

The share of net losses and reversal of provision for impairment recognised in the consolidated income statement are as follows:

	2023 HK\$'000	2022 HK\$'000
Associated companies, for the year ended 31 December	(18,910)	(48,964)
Reversal of provision for impairment in investments accounted for using the equity method (note) (note 3)	<u>–</u>	<u>225,322</u>
	<u>(18,910)</u>	<u>176,358</u>

Note:

As at 31 December 2023, management has assessed and considered that there is no indicator for further impairment or reversal of impairment on the carrying value of investments accounted for using the equity method.

As at 30 June 2022, with reference to latest completion progress for the subscription of Ule as mentioned in note 3, management had developed the recoverable amount of HK\$343,831,000 based on fair value less cost of disposal, which was higher than value-in-use method. The fair value measurement was categorised as level 3 and based on market approach with reference to subscription price of China Post HK as stipulated in subscription agreement after adjustment of control premium discount of 20%.

On 29 July 2022, the subscription of Ule was completed. The equity interest in Ule held by the non-wholly owned subsidiary of the Group decreased from 42.00% to 22.39%. Accordingly, a gain on dilution of shareholding in Ule of approximately HK\$65,131,000 was recognised in the consolidated income statement for the year ended 31 December 2022 (note 7). After the completion of the subscription of Ule, management had assessed and considered that there was no indicator for further impairment or reversal of impairment on the carrying value of investments accounted for using the equity method as at 31 December 2022.

**5 Other operating expenses, net**

	2023 HK\$'000	2022 HK\$'000
Staff costs	83,998	87,091
Travel and entertainment	1,260	1,000
Provision for inventories	14,480	13,587
Reversal of provision for impairment of trade receivables, net	(244)	(48)
Depreciation of fixed assets	6,069	7,248
Depreciation of right-of-use assets	21,159	21,079
Amortisation of other intangible assets	3	3
Government subsidies related to COVID-19	–	(1,277)
Other expenses, net	5,441	14,005
	<u>132,166</u>	<u>142,688</u>

**6 Other gains, net**

	2023 HK\$'000	2022 HK\$'000
Dividend income from financial assets at FVOCI	1,347	1,157
Gain on disposal of fixed assets	101	–
Gain on dilution of shareholding in associated companies (note 7)	–	65,131
Fair value loss on revaluation of investment properties	(1,820)	(146)
Exchange gain/(loss), net	3,851	(20,875)
	<u>3,479</u>	<u>45,267</u>



## 7 (Loss)/profit before net finance costs and taxation

(Loss)/profit before net finance costs and taxation is stated after charging/crediting the following:

	2023 HK\$'000	2022 HK\$'000
<b>Charging:</b>		
Depreciation of fixed assets	9,266	11,523
Depreciation of right-of-use assets	25,388	25,033
Amortisation of other intangible assets	107,105	111,629
Provision for impairment of goodwill (note 3)	7,504	18,103
Fair value loss on revaluation of investment properties	1,820	146
Exchange loss, net	–	20,875
	<u>          </u>	<u>          </u>
<b>Crediting:</b>		
Reversal of provision for impairment in amounts due from associated companies (note 3)	14,471	78,746
Reversal of provision for impairment in investments accounted for using the equity method (notes 3 and 4)	–	225,322
Gain on dilution of shareholding in associated companies (note)	–	65,131
Dividend income from financial assets at FVOCI	1,347	1,157
Gain on disposal of fixed assets	101	–
Exchange gain, net	3,851	–
	<u>          </u>	<u>          </u>

The above expense items by nature were included in cost of sales, selling and marketing expenses, administrative expenses, other operating expenses, net and other gains, net in the consolidated income statement.

Note:

On 29 July 2022, the Group announced the subscription of Ule was completed. Following the subscription of Ule, the equity interest in Ule held by the non-wholly owned subsidiary of the Group decreased from 42.00% to 22.39%. Ule continues to be accounted for as an associated company of the Group and the subscription of Ule was considered as deemed disposal transaction. Accordingly, a gain on dilution of shareholding in Ule of approximately HK\$65,131,000 was recognised in the consolidated income statement for the year ended 31 December 2022.

## 8 Finance costs, net

	2023 HK\$'000	2022 HK\$'000
Interest and borrowing costs on bank loans	194,082	86,251
Interest costs on lease liabilities	578	358
Bank interest income	<u>(5,271)</u>	<u>(2,753)</u>
	<u>189,389</u>	<u>83,856</u>

Note:

No interest has been capitalised for the year (2022: Same).

## 9 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

	2023 HK\$'000	2022 HK\$'000
Overseas taxation	14,502	18,930
Under-provision in prior years	1,062	663
Deferred taxation	<u>(1,702)</u>	<u>(2,164)</u>
Taxation charge	<u>13,862</u>	<u>17,429</u>

## 10 Dividends

No dividends had been paid or declared by the Company during the year (2022: Nil).

## 11 (Loss)/earnings per share

### (a) Basic

The calculation of basic (loss)/earnings per share is based on consolidated loss attributable to equity holders of the Company of HK\$221,426,000 (2022: profit of HK\$142,420,000) and the weighted average of 3,958,510,558 (2022: 3,958,510,558) ordinary shares in issue during the year.

### (b) Diluted

Diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share for the year ended 31 December 2023 (2022: Same).

## 12 Trade and other receivables

	2023 HK\$'000	2022 HK\$'000
Trade receivables	194,153	212,379
Prepayments, deposits and other receivables	<u>47,068</u>	<u>216,791</u>
	<u>241,221</u>	<u>429,170</u>

The Group has established credit policies for customers in each of its businesses. The average credit period granted for trade receivables ranges from 30 to 180 days. The Group's revenue is determined in accordance with terms specified in the contracts governing the relevant transactions. The carrying values of trade and other receivables approximate their fair values.

As at 31 December 2023 and 2022, the ageing analyses of the Group's trade receivables, based on terms specified in the contracts governing the relevant transactions, were as follows:

	2023 HK\$'000	2022 HK\$'000
Current	101,667	128,382
31 – 60 days	42,243	41,535
61 – 90 days	25,099	21,918
Over 90 days	<u>53,911</u>	<u>50,775</u>
	222,920	242,610
Less: Provision for impairment	<u>(28,767)</u>	<u>(30,231)</u>
	<u>194,153</u>	<u>212,379</u>

### 13 Trade and other payables

	2023 HK\$'000	2022 HK\$'000
Trade payables	109,707	115,690
Other payables and accruals	281,835	311,929
Contract liabilities	106,962	106,918
	<u>498,504</u>	<u>534,537</u>

The carrying values of trade and other payables approximate their fair values.

As at 31 December 2023 and 2022, the ageing analyses of the Group's trade payables, based on terms specified in the contracts governing the relevant transactions, were as follows:

	2023 HK\$'000	2022 HK\$'000
Current	52,279	59,291
31 – 60 days	8,653	9,057
61 – 90 days	6,169	5,217
Over 90 days	42,606	42,125
	<u>109,707</u>	<u>115,690</u>

## **SUSTAINABILITY**

The key sustainability mission of the Group is to create long-term value for all stakeholders by aligning its corporate social responsibility and sustainability objectives to the strategic development of its businesses. The collaborative approach of the Group supports the United Nations Sustainable Development Goals through the Group's overall sustainability approach and priorities under four pillars of Business, People, Environment and Community. The sustainability governance structure of the Group provides a solid foundation for developing and delivering on its commitment to sustainability. It is embedded at all levels of the Group, including the Board, the Sustainability Committee, the Audit Committee and business units. This governance structure guides the Group in implementing sustainability strategies, managing goals, setting targets and reporting processes, strengthening relationships with its stakeholders, and ensuring accountability across its businesses.

## **REVIEW OF FINANCIAL STATEMENTS**

The consolidated financial statements of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee of the Company and audited by the independent auditor of the Company, PricewaterhouseCoopers. The unqualified independent auditor's report will be included in the annual report to shareholders.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of shareholders and other stakeholders and enhancing shareholder value.

The Company has complied throughout the year ended 31 December 2023 with all applicable code provisions of the Corporate Governance Code, save and except Code Provision F.2.2 of the Code.

The Chairman was unable to attend the annual general meeting held on 9 May 2023 due to other business engagement.

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

The Board has adopted the Model Code as the code of conduct regulating Directors' dealings in securities of the Company. In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the year ended 31 December 2023.

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

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 6 May 2024 to Thursday, 9 May 2024, both days inclusive, during which period no transfer of shares will be effected, to determine shareholders' entitlement to attend and vote at the 2024 Annual General Meeting (or at any adjournment or postponement thereof). All transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar (Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) for registration no later than 4:30 pm on Friday, 3 May 2024.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on Thursday, 9 May 2024. Notice of the 2024 Annual General Meeting will be published and issued to shareholders in due course.

## **CORPORATE STRATEGY**

The principle objective of the Group is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings and cash flow without compromising the Group's financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographies where the Group has management experience and resources. The Chairman's Statement, and Management Discussion and Analysis contained in this Announcement include discussions and analyses of the performance of the Group, the basis on which the Group generates and preserves value in the longer term and delivers the Group's objectives. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group.

## **PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

The performance and the results of operations of the Group contained in this announcement are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained in this announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

## DEFINITIONS

“Associate(s)”	has the meaning ascribed to it in the Listing Rules
“B2B”	means business-to-business
“B2C”	means business-to-consumer
“Board”	means the board of Directors
“China Post”	means China Post Group Corporation Limited*, a state-owned enterprise of the People’s Republic of China, and its subsidiaries
“China Post HK”	means Telpo Philatelic Company Limited, a company incorporated under the laws of Hong Kong and a subsidiary of China Post
“CKH”	means Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose listing status on the Stock Exchange was replaced by CKHH on 18 March 2015
“CKHH”	means CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange on 18 March 2015 (Stock Code: 0001)
“Company” or “TOM”	means TOM Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2383)
“Corporate Governance Code”	means the Corporate Governance Code sets out in Appendix C1 to the Listing Rules
“COVID-19”	means the infectious disease caused by a newly discovered coronavirus
“Director(s)”	means the director(s) of the Company
“ESG”	means environmental, social and governance
“GMV”	means Gross Merchandise Value, the total value of all orders handled or processed through Ule Group’s platform which includes multiple websites, mobile applications and PC applications, regardless of whether the orders are consummated, goods and services returned or not

“Group” or “TOM Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“HWL”	means Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, which was listed on the Stock Exchange until it was privatised in June 2015
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	means the main board of the Stock Exchange
“Mainland China”	means for the purpose of the segment differentiation of this announcement, the People’s Republic of China, excluding coverage of Hong Kong, Macau Special Administrative Region and Taiwan region
“Media Business”	means two reportable operating segments of Publishing Group and Advertising Group
“MioTech”	means Mioying Holdings Inc., a company incorporated in the Cayman Islands with limited liability
“Model Code”	means Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Technology Platform and Investments”	means three reportable operating segments of E-Commerce Group, Social Network Group and Mobile Internet Group; and investments in Fintech and Advanced Data Analytics sectors
“Ule” or “Ule Group”	means Ule Holdings Limited or Ule Holdings Limited and its subsidiaries, a material associate of the Company which undertakes an e-commerce/supply chain business in Mainland China and from time to time raises funds for its growing business
“WeLab”	means WeLab Holdings Limited, a BVI business company incorporated in the British Virgin Islands with limited liability

\* For identification purposes only



To the extent that there are any inconsistencies between the English version and the Chinese version of this announcement, the English version shall prevail.

As at the date hereof, the directors of the Company are:

*Executive Director:*

*Mr. Yeung Kwok Mung*

*Non-executive Directors:*

*Mr. Frank Sixt (Chairman)*  
*Ms. Debbie Chang*  
*Mrs. Angelina Lee*

*Independent Non-executive Directors:*

*Mr. James Sha*  
*Dr. Alex Fong*  
*Mr. Chan Tze Leung*

*Alternate Director:*

*Mr. Dominic Lai*  
(Alternate to Mr. Frank Sixt)