# InvesTech Holdings Limited
# 威 訊 控 股 有 限 公 司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 1087)**

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

**2024 FINANCIAL HIGHLIGHTS**

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| Revenue | **466,031** | 561,011 |
| Gross profit | **57,434** | 69,698 |
| Loss before tax | **(66,505)** | (33,519) |
| Loss for the year | **(63,549)** | (35,421) |
| (Loss)/profit for the year attributable to: | | |
| Owners of the parent | **(63,549)** | (41,229) |
| Non-controlling interests | **–** | 5,808 |
| | **(63,549)** | (35,421) |

| | Year ended 31 December | |
|---|---|---|
| | **2024** | 2023 |
| Loss per share attributable to owners of the parent | | |
| – Basic and diluted *(RMB cents)* | **(RMB32.33 cents)** | (RMB28.90 cents) |

- The Group recorded a total revenue of approximately RMB466.0 million for the year ended 31 December 2024, representing a decrease of approximately RMB95.0 million, or approximately 16.9% as compared to the total revenue of approximately RMB561.0 million for the year ended 31 December 2023.

- The Group's net loss for the year amounted to approximately RMB63.5 million for the year ended 31 December 2024, as compared to the net loss of approximately RMB35.4 million for the year ended 31 December 2023.

- Basic and diluted loss per share was approximately RMB32.33 cents for the year ended 31 December 2024, as compared to basic and diluted loss per share of approximately RMB28.90 cents for the year ended 31 December 2023.

The board (the "Board") of directors (the "Directors") of InvesTech Holdings Limited (the "Company") announces the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023. The consolidated financial results of the Group for the year ended 31 December 2024 have been reviewed by the Company's audit committee (the "Audit Committee").

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 December 2024*

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| **REVENUE** | *4* | **466,031** | 561,011 |
| Cost of sales | | **(408,597)** | (491,313) |
| Gross profit | | **57,434** | 69,698 |
| Other income and gains | *4* | **4,121** | 4,206 |
| Selling and distribution expenses | | **(26,010)** | (27,440) |
| Administrative expenses | | **(62,011)** | (62,291) |
| Other losses | | **(19,016)** | (9,795) |
| Impairment of goodwill | *11* | **(8,483)** | – |
| Reversal of impairment losses of financial assets, net | | **763** | 2,807 |
| Finance costs | *5* | **(13,303)** | (10,704) |
| **LOSS BEFORE TAX** | *6* | **(66,505)** | (33,519) |
| Income tax credit/(expense) | *7* | **2,956** | (1,902) |
| **LOSS FOR THE YEAR** | | **(63,549)** | (35,421) |
| (Loss)/profit for the year attributable to: | | | |
| Owners of the parent | | **(63,549)** | (41,229) |
| Non-controlling interests | | **–** | 5,808 |
| | | **(63,549)** | (35,421) |

| | | **2024** | 2023 |
|---|---|---|---|
| **LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT** | | | |
| – Basic and diluted | *9* | **(RMB32.33 cents)** | (RMB28.90 cents) |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **LOSS FOR THE YEAR** | **(63,549)** | (35,421) |
| **OTHER COMPREHENSIVE (LOSS)/INCOME** | | |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **(213)** | 145 |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of the Company's financial statements into presentation currency | **197** | 591 |
| Changes in fair value of financial asset at fair value through other comprehensive income | **(1,916)** | (5,429) |
| | **(1,719)** | (4,838) |
| **OTHER COMPREHENSIVE LOSS FOR THE YEAR** | **(1,932)** | (4,693) |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | **(65,481)** | (40,114) |
| Total comprehensive (loss)/income for the year attributable to: | | |
| Owners of the parent | **(65,481)** | (46,222) |
| Non-controlling interests | **–** | 6,108 |
| | **(65,481)** | (40,114) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

| | Notes | 2024<br>RMB'000 | 2023<br>RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Investment properties | 10 | **63,806** | 77,575 |
| Property, plant and equipment | | **1,172** | 1,391 |
| Right-of-use assets | | **8,495** | 13,026 |
| Goodwill | 11 | **126,469** | 134,952 |
| Other intangible assets | | **17,714** | 37,959 |
| Deferred tax assets | | **4,162** | 3,932 |
| Financial asset at fair value through other comprehensive income | | **11,023** | 12,939 |
| **Total non-current assets** | | **232,841** | 281,774 |
| **CURRENT ASSETS** | | | |
| Inventories | | **10,122** | 16,053 |
| Trade and bills receivables and contract assets | 12 | **280,567** | 304,056 |
| Prepayments, other receivables and other assets | | **45,560** | 35,308 |
| Equity investments at fair value through profit or loss | 13 | **2,014** | 6,778 |
| Debt investment at fair value through profit or loss | | **–** | 1,454 |
| Pledged deposits | | **25,409** | 24,781 |
| Cash and cash equivalents | | **85,506** | 76,196 |
| **Total current assets** | | **449,178** | 464,626 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 14 | **147,563** | 168,659 |
| Contract liabilities | | **35,804** | 18,934 |
| Other payables and accruals | | **32,073** | 30,842 |
| Promissory note payable | | **28,191** | 36,700 |
| Interest-bearing bank and other borrowings | | **194,379** | 162,699 |
| Convertible bond | | **–** | 26,364 |
| Tax payable | | **21,910** | 22,814 |
| **Total current liabilities** | | **459,920** | 467,012 |
| **NET CURRENT LIABILITIES** | | **(10,742)** | (2,386) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **222,099** | 279,388 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**
*As at 31 December 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **NON-CURRENT LIABILITIES** | | |
| Interest-bearing bank and other borrowings | **7,034** | 6,862 |
| Deferred tax liabilities | **2,657** | 5,693 |
| **Total non-current liabilities** | **9,691** | 12,555 |
| **Net assets** | **212,408** | 266,833 |
| **EQUITY** | | |
| Equity attributable to owners of the parent | | |
| Share capital | **13,427** | 9,221 |
| Reserves | **198,981** | 257,612 |
| **Total equity** | **212,408** | 266,833 |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*Year ended 31 December 2024*

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Net cash flows from/(used in) operating activities | **7,640** | (36,906) |
| Net cash flows from/(used in) investing activities | **3,280** | (20,412) |
| Net cash flows (used in)/from financing activities | **(3,043)** | 73,991 |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **7,877** | 16,673 |
| Cash and cash equivalents at beginning of year | **76,196** | 59,436 |
| Effect of foreign exchange rate changes, net | **1,433** | 87 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | **85,506** | 76,196 |

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE AND GROUP INFORMATION

InvesTech Holdings Limited (the "Company") was incorporated in the Cayman Islands on 16 November 2007 as an exempted company with limited liability and continued in Bermuda with effect from 7 July 2021 (Bermuda time). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The Company's principal place of business in Hong Kong is Room 02-03, 18/F, AIA Financial Centre, 712 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of network system integration including the provision of network infrastructure solutions, network professional services and smart office software solutions, and the network equipment rental business.

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and IFRIC Interpretations and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, a financial asset at fair value through other comprehensive income, equity investments at fair value through profit or loss and a debt investment at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

## 2.1 BASIS OF PREPARATION (Continued)

### Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### Going concern assumption

The Group incurred net loss of approximately RMB63,549,000 for the year ended 31 December 2024, and as of 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB10,742,000. As of 31 December 2024, the Group had promissory note payable and interest-bearing bank and other borrowings totalling approximately RMB222,570,000 and trade payables of approximately RMB147,563,000 included in current liabilities, while the balance of cash and cash equivalents was approximately RMB85,506,000.

In view of the above circumstances, the Group has prepared a cash flow forecast of the Group covering a period of fifteen months from the end of the reporting period (the "Forecast Period"). The cash flow forecast has included the effects of the following major measures and events that have been implemented or taken place in order to enhance the Group's liquidity position to meet its financial obligations during the next fifteen months as and when they fall due:

(a) Unused loans facility granted by banks of approximately RMB43,076,000 is available;

(b) Arranging rollover of the Group's revolving loans of approximately RMB122,711,000 upon maturity dates; and

(c) Up to the date of these consolidated financial statements, Smoothly Global Holdings Limited (being a shareholder of the Company as at the date of these consolidated financial statements) and Delta Wealth Credit Limited (which is beneficially owned by Ms. Tin Yat Yu Carol being a shareholder and director of the Company as at the date of these consolidated financial statements) agreed to renew and not to demand for repayment for the borrowings due to it in the principal amount of HK$27,350,000 (equivalent to RMB25,701,000) and the promissory note payable held by her in the principal amount of HK$30,000,000 (equivalent to RMB28,191,000) respectively for at least the next fifteen months.

The directors of the Company are of the opinion that, taking into account the above-mentioned measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due over the Forecast Period. Accordingly, it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2024 on a going concern basis.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to IFRS Accounting Standards for the first time for the current year's consolidated financial statements.

| | |
|---|---|
| Amendments to IFRS 16 | *Lease Liability in a Sale and Leaseback* |
| Amendments to IAS 1 | *Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants* |
| Amendments to IAS 7 and IFRS 7 | *Supplier Finance Arrangements* |

The application of amendments to IFRS Accounting Standards has no material impact on the Group's results and financial position for the current or prior period. The Group has not applied any revised IFRS Accounting Standards that are not yet effective for the current period.

## 3. SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. The Group's chief operating decision makers, also being the directors, focus on revenue analysis by products and services in the communication system business. No other discrete financial information is provided except for the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures including geographic information are presented.

**Geographical information**

***(a) Revenue from external customers***

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Mainland China | **361,386** | 427,155 |
| Hong Kong | **94,036** | 123,206 |
| Vietnam | **9,490** | 9,945 |
| United States of America | **–** | 27 |
| Other countries/regions | **1,119** | 678 |
| | **466,031** | 561,011 |

The revenue information above is based on the locations of the customers.

***(b) Non-current assets***

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Mainland China | **153,360** | 184,863 |
| Hong Kong | **64,295** | 80,037 |
| Vietnam | **1** | 3 |
| | **217,656** | 264,903 |

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial asset at fair value through other comprehensive income.

## 3. SEGMENT INFORMATION (Continued)

**Information about major customers**

Revenue of RMB85,190,000 (2023: RMB105,730,000) from a major customer in the communication system business individually amounted to over 10% to the total revenue of the Group for the years ended 31 December 2024 and 2023.

## 4. REVENUE, OTHER INCOME AND GAINS

**Revenue from contracts with customers**

***Disaggregated revenue information***

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Type of goods or services** | | |
| Sales of goods | **263,811** | 318,590 |
| Rendering of services | **202,220** | 242,421 |
| Total revenue from contracts with customers | **466,031** | 561,011 |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | **263,811** | 318,590 |
| Services transferred over time | **202,220** | 242,421 |
| Total revenue from contracts with customers | **466,031** | 561,011 |

**Other income and gains**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Bank interest income | **701** | 410 |
| Rental income | **2,191** | 1,120 |
| Government grants released* | **1,029** | 1,227 |
| Fair value gain on a debt investment at fair value through profit or loss | **–** | 793 |
| Others | **200** | 656 |
| | **4,121** | 4,206 |

* There are no unfulfilled conditions or contingencies relating to these grants.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Interest on bank and other borrowings | **11,493** | 8,556 |
| Interest on convertible bond | **1,330** | 1,467 |
| Interest on lease liabilities | **480** | 681 |
| | **13,303** | 10,704 |

## 6. LOSS BEFORE TAX

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

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Cost of inventories sold* | **406,772** | 488,535 |
| Depreciation of property, plant and equipment | **1,169** | 1,078 |
| Depreciation of right-of-use assets | **6,659** | 7,208 |
| Amortisation of other intangible assets** | **20,245** | 20,244 |
| Impairment of goodwill | **8,483** | – |
| Reversal of impairment losses of trade receivables, net | **(763)** | (2,807) |
| Lease payments not included in the measurement of lease liabilities – Short-term leases | **–** | 314 |
| Auditor's remuneration | **1,124** | 1,300 |
| Research and development costs*** | **22,465** | 21,963 |
| Foreign exchange differences, net | **100** | (111) |
| Employee benefit expenses (including directors' and a chief executive's remuneration) | | |
| – Wages and salaries | **60,626** | 69,528 |
| – Pension scheme contributions | **14,034** | 14,867 |
| | **74,660** | 84,395 |
| Reversal of write-down of inventories to net realisable value* | **(1,622)** | (536) |
| Fair value losses on equity investments at fair value through profit or loss, net | **2,934** | 2,983 |
| Fair value gain on a debt investment at fair value through profit or loss | **–** | (793) |
| Fair value losses on investment properties | **16,082** | 6,812 |

* Inclusive of reversal of write-down of inventories to net realisable value.

** Included in "Cost of sales" in the consolidated statement of profit or loss.

*** Included in "Administrative expenses" in the consolidated statement of profit or loss.

## 7. INCOME TAX (CREDIT)/EXPENSE

| | 2024 | 2023 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Current－Mainland China | | |
| Charge for the year | – | 2,701 |
| Current－Hong Kong | | |
| Charge for the year | 310 | 2,669 |
| Deferred tax credit | (3,266) | (3,468) |
| Total tax (credit)/expense for the year | (2,956) | 1,902 |

The Group is subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (equivalent to RMB1,843,000) (2023: HK$2,000,000 (equivalent to RMB1,818,000)) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Except for the following companies, the subsidiaries of the Company established in Mainland China were subject to corporate income tax ("CIT") at the statutory tax rate of 25% in the following years:

| Name of the subsidiaries | 2024 | 2023 |
|---|---|---|
| 北京威發新世紀信息技術有限公司 (Beijing Wafer New Century Information Technology Co., Ltd.)*^ | 15% | 15% |
| 威發（西安）軟件有限公司(Wafer (Xi'an) Software Co., Ltd.)**^ | 15% | 25% |

* The entity is qualified as High and New Technology Enterprises and entitled to a preferential CIT rate of 15% for the years ended 31 December 2024 and 2023.

** The entity is qualified as High and New Technology Enterprises and entitled to a preferential CIT rate of 15% for the year ended 31 December 2024.

^ The English names are for identification purposes only.

The subsidiary which operates in Vietnam was subject to CIT at a rate of 20% (2023: 20%) on taxable income for the year ended 31 December 2024.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered that the Group is not liable to top-up tax under the Pillar Two Rules.

## 8. DIVIDEND

No dividend has been paid or proposed by the Company during the year ended 31 December 2024 and subsequent to the end of the reporting period (2023: Nil).

## 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 196,569,271 (2023: 142,655,641) in issue during the year.

The calculations of basic and diluted loss per share are based on:

| | 2024 | 2023 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| **Loss** | | |
| Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation | **(63,549)** | (41,229) |

| | 2024 | 2023 |
|---|---|---|
| **Number of shares** | | |
| Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation | **196,569,271** | 142,655,641 |
| **Loss per share** | | |
| Basic and diluted | **(RMB32.33 cents)** | (RMB28.90 cents) |

The weighted average number of ordinary shares for the purpose of the calculation of basic loss per share has been adjusted for the bonus element in the issue of shares of the Company on 28 November 2023 and 31 January 2024 as if effective since 1 January 2023.

The calculation of diluted loss per share for the years ended 31 December 2024 and 2023 had not taken into account the effect of the potential ordinary shares on convertible bond as the assumed conversion would result in a decrease in loss per share.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

## 10. INVESTMENT PROPERTIES

As at 31 December 2024 and 2023, the Group's investment properties consisted of car parks and office premises located in Hong Kong. All investment properties were held under operating leases to earn rental income or for capital appreciation purposes, and were measured by using the fair value model. During the year ended 31 December 2024, there was no additions to investment properties. During the year ended 31 December 2023, the Group acquired investment properties at a total cost of HK$86,595,000 (equivalent to RMB80,152,000) through the acquisition of the entire equity interest in Sino Profit Trading Limited.

## 11. GOODWILL

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Cost:** | | |
| At 1 January and 31 December | **207,580** | 207,580 |
| **Accumulated impairment:** | | |
| At 1 January | **(72,628)** | (72,628) |
| Impairment during the year *(note 6)* | **(8,483)** | – |
| At 31 December | **(81,111)** | (72,628) |
| **Net carrying amount:** | | |
| At 31 December | **126,469** | 134,952 |

**Impairment testing of goodwill**

***Network system integration cash-generating unit***

The carrying amount of goodwill acquired through business combinations allocated to the network system integration cash-generating unit is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Before impairment loss | **207,580** | 207,580 |
| After impairment loss | **126,469** | 134,952 |

Goodwill related to the network system integration cash-generating unit arising from the acquisition of Fortune Grace Management Limited in 2015. Details of the acquisition are set out in the announcements of the Company dated 6 and 13 November 2015. To support the management to determine the recoverable amount of the network system integration cash-generating unit (the "Recoverable Amount of CGU"), the Group engaged an independent professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, to perform a valuation.

The Recoverable Amount of CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period with budgeted revenue growth rates, the budgeted gross margins, the discount rate and the terminal growth rate applied in the cash flow projections. As at 31 December 2024, based on the goodwill impairment assessment results, the Recoverable Amount of CGU and the carrying amount of the network system integration cash-generating unit, comprising the goodwill, other intangible assets, property, plant and equipment and right-of-use assets of the Group that generate cash flows together with the related goodwill in the respective cash generating unit for the purpose of impairment assessment, were approximately RMB153,850,000 (2023: RMB311,884,000) and RMB162,333,000 (2023: RMB186,459,000) respectively. As the Recoverable Amount of CGU is below its carrying amount, an impairment loss on goodwill of approximately RMB8,483,000 was recorded for the year ended 31 December 2024 (2023: Nil).

## 11. GOODWILL (Continued)

### Impairment testing of goodwill (Continued)

***Network system integration cash-generating unit (Continued)***

In the opinion of the directors of the Company, the cash flow projections have considered the anticipated slowdown in the Group's revenue growth, particularly within the Group's smart office software solutions business. The assessment of the Group's management reflects the intense competition in the Mainland China market, as well as geopolitical uncertainties and volatility, which have led to lower-than-expected market demand for the Group's smart office software solutions business. Accordingly, there has been a downward adjustment on the anticipated revenue growth of the Group's network system integration cash-generating unit, resulting in the reduction of its future cash flow projections and Recoverable Amount of CGU. The directors of the Company considered that these reasons directly affected the parameters applied in the assumptions used in the value-in-use calculation for network system integration cash-generating unit as at 31 December 2024 as mentioned below.

Assumptions were used in the value-in-use calculation for network system integration cash-generating unit for 31 December 2024 and 2023. The following describes each key assumption on which the management of the Company has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue growth rates – The budgeted revenue growth rates are based on the historical revenue growth data and market outlook perceived by management. The estimated revenue growth rates for the five-year budget period applied at 31 December 2024 range from -1.55% to 11.79% per annum (2023: -1.01% to 6.41% per annum).

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected market development. The gross margins for the five-year budget period applied in the cash flow projections range from 21.22% to 29.98% (2023: 27.47% to 30.97%).

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant unit. The discount rate applied at 31 December 2024 is 20.11% (2023: 25.72%).

Long term growth rate – The long term growth rate is based on market data and management's expectation on the future development of the technology industry. The long term growth rate applied at 31 December 2024 is 2.00% (2023: 3.00%).

The values assigned to the key assumptions on market development and discount rate are consistent with external information sources.

## 12. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **132,182** | 172,984 |
| Impairment | **(9,194)** | (10,102) |
| Trade receivables, net | **122,988** | 162,882 |
| Contract assets | **155,853** | 133,580 |
| Bills receivables | **1,726** | 7,594 |
| | **280,567** | 304,056 |

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

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 3 months | **206,051** | 185,826 |
| 3 to 6 months | **27,846** | 48,093 |
| 6 to 12 months | **18,638** | 34,132 |
| 1 to 2 years | **17,536** | 26,869 |
| Over 2 years | **8,770** | 1,542 |
| | **278,841** | 296,462 |

The movements in the loss allowance for impairment of trade receivables and contract assets are as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| At beginning of year | **10,102** | 13,498 |
| Reversal of impairment losses, net *(note 6)* | **(763)** | (2,807) |
| Amounts written-off as uncollectible | **(157)** | (642) |
| Exchange realignment | **12** | 53 |
| At end of year | **9,194** | 10,102 |

12. **TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (Continued)**

The maturity profile of the bills receivables of the Group as at the end of the reporting period is as follows:

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 3 months | **28** | 4,994 |
| 3 to 6 months | **1,698** | 2,600 |
| | **1,726** | 7,594 |

13. **EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Listed equity investment, at fair value | **2,014** | 6,778 |

The balance represented listed equity securities investments that offer the Group the opportunity for return by way of fair value changes and dividend income. The equity investments are classified as held for trading and measured at fair value through profit or loss.

As at 31 December 2024, equity investments at fair value through profit or loss represents an investment portfolio comprising nine (2023: twelve) equity securities listed in Hong Kong of which eight (2023: ten) are listed on the main board of the Stock Exchange and the remaining one (2023: two) are listed on GEM of the Stock Exchange.

The total fair value losses of RMB2,934,000 (2023: RMB2,983,000) was recognised for changes in fair value of equity investments at fair value through profit or loss in "Other losses" in the consolidated statement of profit or loss for the year ended 31 December 2024.

The fair values of equity investments as at 31 December 2024 have been determined by reference to the quoted market prices available on the Stock Exchange.

14. **TRADE PAYABLES**

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

| | **2024** | 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Within 3 months | **47,439** | 72,878 |
| 3 to 12 months | **43,366** | 42,935 |
| 1 to 2 years | **25,508** | 23,541 |
| Over 2 years | **31,250** | 29,305 |
| | **147,563** | 168,659 |

The Group normally obtains credit terms ranging from 1 to 3 months from its suppliers. Trade payables are unsecured and interest-free.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year ended 31 December 2024 (the "Year"), the Group continued to focus on its core business of IT infrastructure system integration and sales of smart office software solutions. The majority of the Group's revenue was generated in the People's Republic of China (the "PRC" or "China") market.

During the Year, the operational environment of the Group's IT infrastructure system integration business and smart office software solutions, especially in China, face numerous challenges including intense competition in the China market and ongoing uncertainties in the global economy. These factors have prompted enterprises, especially multinational corporations, to adopt more cautious spending decisions and investment strategy. As a result, the Group has experienced a decline in customer demand and a reduction in sales orders, which adversely impacting the overall operating results of the Group during the Year. The Group's total revenue recorded a decrease of approximately RMB95.0 million or approximately 16.9% to approximately RMB466.0 million for the Year (2023: approximately RMB561.0 million). The Group's gross profit decreased by approximately RMB12.3 million or approximately 17.6% to approximately RMB57.4 million for the Year (2023: approximately RMB69.7 million). A net loss for the Year of approximately RMB63.5 million was recorded (2023: approximately RMB35.4 million).

### IT Infrastructure System Integration

As a result of the global economic slowdown and geopolitical uncertainties and volatility throughout 2024, the Group faced a challenging business environment during the Year. Especially the China market showed slow signs of recovery with intense competition environment, leading to the decline in revenue from the Group's core traditional IT infrastructure system integration business in China. Nevertheless, the Group continued to leverage its core competitiveness and provide advanced and customised IT infrastructure solutions to its customers in diverse segments. The Group also maintained strategic partnership with various tech giants, with the aim of acquiring new clients through strategic alliances to deliver cutting-edge IT infrastructure solutions and enlarge the customer base.

The sales in Hong Kong region, which was mainly contributed by the provision of a smart library system for Hong Kong government's Leisure and Cultural Services Department (the "Library Project"), recorded revenue of approximately RMB85.2 million (2023: approximately RMB105.7 million), representing a decrease of approximately RMB20.5 million, or approximately 19.4% as compared with that of 2023. The Group actively and continuously monitors each phase of the Library Project, and effectively tracking progress to ensure that the Library Project proceeds smoothly and stays on schedule.

Apart from the above, the Group has made significant strides in expanding its revenue streams by targeting overseas markets. One of the most significant milestones in 2024 was the Group's successful partnership with a leading domestic construction company to secure the IT infrastructure project for Phnom Penh International Airport in Cambodia. This project not only underscores the Group's capability to deliver high-quality IT solutions but also highlights the Group's ability to collaborate effectively with industry leaders on large-scale initiatives.

As a result, the overall IT infrastructure system integration segment of the Group contributed revenue of approximately RMB434.0 million for the Year (2023: approximately RMB504.7 million).

**Smart Office Software Solutions**

The Group's smart office software solutions business has been significantly impacted by volatile market conditions in China for the Year. Multinational corporations, which constitutes the Group's key customer segment in smart office software solutions sales, have reassessed their investment strategies and became more conservative in spending. These corporations have implemented strict cost-saving measures, leading to a reduction in the use of office and campus spaces. Consequently, the demand for smart office software solutions, which are designed for building and campus management solutions, has correspondingly declined, resulting in an overall decrease in the Group's sales of smart office software solutions in 2024.

The Group have undertaken a series of actions in response to the challenging market environment. The Group has actively expanded its target customer base to further focus on domestic manufacturers, going beyond multinational corporations. The Group has also became a gold partner of Huawei, engaging in deep cooperation with them in the areas of smart parks/campuses and smart factories in order to expend the sales network in China. To continuously enhance the product competitiveness the Group's smart office software solutions – Virsical has deployed AI and significantly enhanced various applications, including intelligent repair reporting, smart energy trends and analysis, spatial AI analysis, IoT smart campus with AI analysis and decision-making, knowledge base AI documentation, and intelligent Q&A.

The Group's revenue from the provision of smart office software solutions decreased by approximately RMB24.3 million, or approximately 43.2%, to approximately RMB32.0 million for the Year (2023: approximately RMB56.3 million).

**Other Investments**

The Group's other investment mainly consisted of securities and properties investment. As at 31 December 2024, the Group held equity securities listed in Hong Kong worth approximately RMB2.0 million as financial assets for trading (2023: approximately RMB6.8 million) and investment properties at the amount of approximately RMB63.8 million (2023: approximately RMB77.6 million). Impacted by the unfavorable economic climate, high interest rates environment and weak market sentiment in Hong Kong, the property and investment markets in Hong Kong continued to face challenges during the Year which affected the financial performance of the Group's securities and property investments. During the Year, the Group recorded a net fair value loss on equity investments at fair value through profit or loss of approximately RMB2.9 million (2023: approximately RMB3.0 million) and a fair value loss on investment properties of approximately RMB16.1 million (2023: approximately RMB6.8 million).

## FINANCIAL REVIEW

**Revenue and cost of sales**

Revenue of the Group for the Year was approximately RMB466.0 million (2023: approximately RMB561.0 million), representing a decrease of approximately RMB95.0 million, or approximately 16.9% as compared with that of 2023. The decrease in revenue was primarily attributable to the decrease in revenue from the Group's IT infrastructure system integration business and smart office software solutions business in China resulting from the intense competition amongst the China's market and continued uncertainty across the global market.

Following the decrease in revenue, the cost of sales of the Group decreased by approximately RMB82.7 million, or approximately 16.8% to approximately RMB408.6 million for the Year (2023: approximately RMB491.3 million). The decrease in cost of sales was in line with the decrease in revenue of the Group.

**Gross profit and gross profit margin**

The Group achieved gross profit for the Year amounting to approximately RMB57.4 million (2023: approximately RMB69.7 million), representing a decrease of approximately RMB12.3 million, or approximately 17.6% as compared with that of 2023. The gross profit margin for the Year was approximately 12.3% (2023: approximately 12.4%), representing a decrease of approximately 0.1% as compared with that of 2023. The gross profit margin remained stable.

**Other income and gains**

The Group recorded other income and gains of approximately RMB4.1 million for the Year (2023: approximately RMB4.2 million), mainly consisted of (i) rental income from investment properties of approximately RMB2.2 million (2023: approximately RMB1.1 million); and (ii) the government grants released to the Group of approximately RMB1.0 million (2023: approximately RMB1.2 million). The total other income and gains for the Year were comparable to those of 2023.

**Selling and distribution expenses**

The selling and distribution expenses of the Group decreased by approximately RMB1.4 million or approximately 5.1% to approximately RMB26.0 million for the Year (2023: approximately RMB27.4 million) primarily due to the decrease in sales commission expenses.

**Administrative expenses**

The administrative expenses of the Group decreased by approximately RMB0.3 million or approximately 0.5% to approximately RMB62.0 million for the Year (2023: approximately RMB62.3 million). The administrative expenses for the Year was comparable to that of 2023.

**Other losses**

The other losses for the Year represented (i) fair value loss on investment properties of approximately RMB16.1 million (2023: approximately RMB6.8 million; and (ii) the fair value losses on equity investments at fair value through profit or loss of approximately RMB2.9 million (2023: approximately RMB3.0 million).

**Impairment of goodwill**

During the Year, the Group recorded an impairment of goodwill of approximately RMB8.5 million (2023: Nil) in relation to the network system integration cash-generating unit arising from the acquisition of Fortune Grace Management Limited in 2015. Details of the impairment are set out in note 11 to this announcement.

Despite the recognition of goodwill impairment for the Year, the Group remains optimistic about future market demand for its smart office software solutions, which is being driven by the ongoing transformation of workplace environments through IT and green technology. The Group expects the revenue contribution from its network system integration cash-generating unit will return to a reasonable level in the coming year.

**Finance costs**

The finance costs of the Group increased by approximately RMB2.6 million to approximately RMB13.3 million for the Year (2023: approximately RMB10.7 million) as the new bank borrowings for the Year increased the finance costs.

**Income tax**

The income tax of the Group comprised provision of income tax expense and deferred tax.

The Group recorded provision of income tax expense of approximately RMB0.3 million for the Year (2023: approximately RMB5.4 million), which was arising from the assessable profits of the Group's subsidiaries in China and in Hong Kong during the Year.

The Group recorded total tax credit of approximately RMB3.0 million for the Year (2023: tax expense of approximately RMB1.9 million), primarily due to the recognition of the deferred tax credit of approximately RMB3.0 million (2023: approximately RMB3.0 million) arising from the amortisation of other intangible assets, which offset the impact of the provision of income tax expense mentioned above.

**Loss for the Year**

The Group recorded a loss for the Year of approximately RMB63.5 million for the Year (2023: approximately RMB35.4 million). The increase in loss was mainly attributable to (i) the fair value loss on investment properties of approximately RMB16.1 million (2023: approximately RMB6.8 million); (ii) the decline in gross profit by approximately RMB12.3 million for the Year resulted from the intense competition amongst the China's market and continued uncertainty across the global market; and (iii) the impairment of goodwill related to the Group's network system integration cash-generating unit ("CGU") of approximately RMB8.5 million was recorded for the Year (2023: Nil), primarily due to lower-than-expected market demand for the Group's smart office software solutions business leading to the downward adjustment on the anticipated revenue growth of the CGU, resulting in the reduction of the CGU's future cash flow projections and recoverable amount.

**Liquidity and financial resources**

As at 31 December 2024, the Group's gearing ratio, which is calculated by total of interest-bearing bank and other borrowings, promissory note payable and convertible bond divided by total assets, was approximately 33.7% (2023: approximately 31.2%). The increase in Group's gearing ratio was mainly due to the decline in total assets for the Year.

As at 31 December 2024, the total interest-bearing bank and other borrowings of the Group amounted to approximately RMB201.4 million (2023: approximately RMB169.6 million), among which approximately RMB122.7 million (2023: approximately RMB119.8 million) was unsecured and guaranteed by a director of the Company. As at 31 December 2024, the interest-bearing bank and other borrowings of approximately RMB43.9 million (2023: approximately RMB19.9 million) carried at fixed interest rates and approximately RMB157.5 million (2023: approximately RMB149.7 million) carried at floating interest rates.

As at 31 December 2023, the carrying amount of the convertible bond of the Group amounted to approximately RMB26.4 million.

Save as aforesaid or as otherwise disclosed in this announcement, and apart from intragroup liabilities, the Company did not have any other outstanding indebtednesses or contingent liabilities as at 31 December 2024.

**Foreign currency risk**

As certain of the Group's trade and other receivables, cash and cash equivalents and trade and other payables are denominated in foreign currency, exposure to exchange rate fluctuation arises. The Group has relevant policy to monitor the risk associated with the fluctuation of foreign currency and control such risk, if necessary.

**Working capital**

Inventories balance as at 31 December 2024 was approximately RMB10.1 million (2023: approximately RMB16.1 million). The average turnover days for inventories was 12 days as at 31 December 2024 (2023: 14 days). Trade and bills receivables balance as at 31 December 2024 was approximately RMB280.6 million (2023: approximately RMB304.1 million). The average turnover days for trade and bills receivables increased to 230 days as at 31 December 2024 (2023: 202 days), which was due to longer collection period for certain customers and milestones payment term for the Library Project.

Trade payables balance as at 31 December 2024 was approximately RMB147.6 million (2023: approximately RMB168.7 million). The average turnover days for trade payables was 142 days as at 31 December 2024 (2023: 143 days).

Affected by the increase in average turnover days for trade and bill receivables, the Group's cash conversion cycle for the Year increased from 73 days in 2023 to 100 days in 2024.

**Cash flows**

The net cash from operating activities for the Year amounted to approximately RMB7.6 million.

The net cash from investing activities for the Year of approximately RMB3.3 million was mainly attributable to the proceeds from disposal of debt investment at fair value through profit or loss and equity investments at fair value through profit or loss.

The net cash used in financing activities for the Year of approximately RMB3.0 million was primarily attributable to the combined effect of: (i) repayment of bank and other borrowings of approximately RMB195.8 million; (ii) new bank and other borrowings of approximately RMB200.2 million; (iii) proceeds from issue of shares of approximately RMB10.2 million; (iv) repayment of promissory note payable of approximately RMB9.6 million; and (v) repayment of principal portion of lease payments of approximately RMB7.0 million.

**Charge on assets**

As at 31 December 2024, investment properties of approximately RMB59.4 million (2023: approximately RMB72.7 million) were pledged as security for interest-bearing bank and other borrowings of the Group.

### Capital expenditures

The Group had capital expenditures of approximately RMB3.0 million for the Year (2023: approximately RMB88.1 million) for additions to property, plant and equipment, investment properties and right-of-use assets.

### Capital commitments

As at 31 December 2024, the Group had no significant capital commitments (2023: Nil).

## CAPITAL STRUCTURE

### Subscription of new shares under specific mandate

On 7 November 2023, Mr. Wong Tai Kuen being the subscriber (the "Subscriber") and the Company entered into the subscription agreement (the "Subscription Agreement") pursuant to which the Subscriber has conditionally agreed to subscribe for 59,200,000 ordinary shares of the par value of US$0.01 each in the share capital of the Company (the "Subscription Share(s)") at the subscription price of HK$0.19 per Subscription Share (the "Subscription").

Pursuant to the Subscription Agreement, the Subscriber agreed that, in the event that upon completion of the Subscription, the number of Subscription Shares to be allotted and issued to the Subscriber under the Subscription Agreement would cause the shareholding of the Subscriber to become 30% or more (or such percentage that would trigger the obligation of the Subscriber to make a general offer for the issued shares of the Company under Rule 26 of the Takeovers Code), the Company shall have the right to adjust the number of Subscription Shares downward such that no general offer obligations on the part of the Subscriber would be triggered. The Subscription was conditional upon the fulfilment of the following conditions: (i) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares; (ii) all necessary consents and approvals required to be obtained by the parties hereto in respect of the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the Subscription, having been obtained; and (iii) the passing of necessary resolution(s) at the special general meeting of the Company by the Company's shareholders who are entitled to vote and not required to abstain from voting under the Listing Rules and other applicable laws and regulations to approve the Subscription Agreement and the transactions contemplated thereunder, including the specific mandate for the allotment and issue of the Subscription Shares.

All the conditions of the Subscription Agreement have been fulfilled and the completion of the Subscription took place on 31 January 2024. The Subscriber has subscribed for 59,200,000 Subscription Shares (with aggregate nominal value of US$592,000) at the subscription price of HK$0.19 per Subscription Share. The closing price of the shares of the Company as quoted on the Stock Exchange on 7 November 2023, being the date of the Subscription Agreement, was HK$0.21 per share. The gross proceeds from the Subscription was approximately HK$11.3 million. The net proceeds, after deduction of all relevant expenses (including but not limited to legal expenses and disbursements) incidental to the Subscription of approximately HK$0.5 million, was approximately HK$10.8 million. The net issue price of each Subscription Share is HK$0.18. The net proceeds from the Subscription was fully utilised as intended as to (i) approximately HK$9.3 million for the repayment of the Group's current liabilities; and (ii) the remaining proceeds of approximately HK$1.5 million for the general working capital of the Group in which approximately HK$1.3 million and approximately HK$0.2 million for payment of salaries expenses and rental expenses respectively.

Details of the Subscription are set out in the announcements of the Company dated 7 November 2023, 11 January 2024, 25 January 2024 and 31 January 2024, and the circular of the Company dated 20 December 2023.

The Directors consider that the Subscription represent an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge the shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

## INVESTMENT IN LISTED EQUITY INVESTMENTS

During the Year, the Group recorded fair value losses on equity investments at fair value through profit or loss of approximately RMB2.9 million (2023: approximately RMB3.0 million), which was related to the fair value losses from the Group's investment in listed securities. As at 31 December 2024, the Group's equity investments at fair value through profit or loss consisted of nine listed equity investments (2023: twelve), all of them were shares listed on the Stock Exchange. The trading of shares of one listed company (2023: one) was suspended during the Year. The global geopolitical tensions and volatility of China's economy throughout 2024 shunned the Hong Kong stock market, and affected the performance of the Group's securities investment. The Group will closely monitor the Hong Kong securities market and the performance of its securities investment.

As at 31 December 2024, the fair value of each of the equity investments at fair value through profit or loss was less than 5% of the Group's total assets.

## EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no significant event taken place subsequent to 31 December 2024 and up to the date of this announcement.

## EMPLOYEES

As at 31 December 2024, the total number of employees of the Group was 323 (2023: 325). The breakdown of employees of the Group as at 31 December 2024 and 2023 is as follows:

| | **As at 31 December 2024** | As at 31 December 2023 |
|---|---|---|
| Manufacturing and technical engineering | **136** | 125 |
| Sales and marketing | **55** | 62 |
| General and administration | **50** | 54 |
| Research and development | **82** | 84 |
| Total | **323** | 325 |

Compensation policy of the Group is determined by evaluating individual performance of the employees and has been reviewed regularly.

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the Year.

## OUTLOOK

China's "Going Global" strategy, in conjunction with the Belt and Road Initiative, has created substantial new market opportunities for Chinese enterprises. The Group will continue to identify business opportunities in both inside and outside China, and remain cautiously optimistic on our business prospect.

In light of the complexities and challenges posed by an unfavorable market environment impacting the Group's operations as well as the overall financial performance, the Group will actively adjust its business strategy, closely monitor the changing market conditions, integrate internal resources, and implement strict cost control measures. Additionally, the Group remains committed to enhancing product innovation and competitiveness, particularly in the fields of AI and green technology, with the goal of strengthening its market position and continuous sustainable growth.

## DIVIDEND

The Directors consider that the declaration, payment and amount of the dividend shall be subject to the status of the Group's future development. The Board does not recommend any final dividend for the year ended 31 December 2024 (2023: Nil).

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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 as its code of conduct regarding securities transactions by the Directors. On specific enquiries made, all Directors confirmed that they complied with the required standards set out in the Model Code during the year ended 31 December 2024.

## CORPORATE GOVERNANCE CODE

The Directors recognise the importance of incorporating the elements of good corporate governance into the management structures and internal control procedures of the Group so as to achieve effective accountability to the Shareholders as a whole. The Board strives to uphold good corporate governance and adopt sound corporate governance practices continuously in the interest of Shareholders to enhance the overall performance of the Group. The Company has adopted and complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2024, except for the following deviation.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision C.2.1, but in view of the current rapid development of the Group, the Board believes that with the support of the management, vesting the roles of both chairman and CEO by Mr. Chan Sek Keung, Ringo can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. The Company will seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of the CEO in future.

**AUDIT COMMITTEE**

The Company established the Audit Committee pursuant to a resolution of Directors passed on 25 October 2010 in compliance with Rule 3.21 of the Listing Rules. The Audit Committee has set up the written terms of reference which was revised on 22 March 2012 and further revised on 26 November 2015 and 1 January 2019. The primary responsibilities of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting at least at half-year intervals, and oversee the risk management policies and internal control procedures of the Group constantly. The Audit Committee currently consists of three members, namely, Mr. David Tsoi, Mr. Hon Ming Sang and Mr. Yuen Shiu Wai, all of whom are independent non-executive Directors. Mr. David Tsoi currently serves as the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the applicable code provisions in the CG Code.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2024, the consolidated financial statements for the year ended 31 December 2024 and this announcement.

**SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's auditors, BDO Limited ("BDO"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2024. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on this preliminary announcement of results.

**SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the year ended 31 December 2024.

**ANNUAL REPORT**

The annual report of the Company for the financial year ended 31 December 2024 containing all the applicable information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.investech-holdings.com) in due course in accordance with the Listing Rules.

On behalf of the Board
**InvesTech Holdings Limited**
**Chan Sek Keung, Ringo**
*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2025

*As at the date of this announcement, the executive Directors are Mr. Chan Sek Keung, Ringo (Chairman and Chief Executive Officer), Ms. Tin Yat Yu, Carol and Ms. Wang Fang, the non-executive Director is Mr. Wong Tsu Wai, Derek and the independent non-executive Directors are Mr. David Tsoi, Mr. Hon Ming Sang and Mr. Yuen Shiu Wai.*