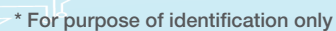




# 2024

## ANNUAL REPORT



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## Five-Year Financial Summary

	For the year ended 31 December				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Results</b>					
Revenue	40,542	70,959	89,094	101,924	60,324
Loss for the year	(344,705)	(31,212)	(68,703)	(32,701)	(51,128)
Loss for the year attributable to:					
Owners of the Company	(344,618)	(32,118)	(67,462)	(32,370)	(41,800)
Non-controlling interests	(87)	906	(1,241)	(331)	(9,328)
	(344,705)	(31,212)	(68,703)	(32,701)	(51,128)
Basic loss per share (HK cents) (Note)	(57.10)	(5.32)	(11.18)	(5.77)	(1.52)
Dividends per share	–	–	–	–	–
	As at 31 December				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Assets and liabilities</b>					
Total assets	61,132	381,547	399,732	467,006	453,698
Total liabilities	(34,025)	(48,672)	(35,687)	(41,000)	(29,510)
	27,107	332,875	364,045	426,006	424,188
Equity attributable to owners of the Company	27,657	331,992	364,068	424,688	422,539
Non-controlling interests	(550)	883	(23)	1,318	1,649
	27,107	332,875	364,045	426,006	424,188

Note: The calculation of basic loss per share for the year ended 31 December 2021 is based on the loss attributable to owners of the Company and the weighted average number of shares in issue taking into account the retrospective adjustment as a result of the share consolidation completed on 15 August 2022.

## Director's Statement

Dear shareholders,

On behalf of the board of Directors (the “Board”), I am pleased to present the annual results of China e-Wallet Payment Group Limited and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024, which consists of reporting on the activities, results and strategies of the Company.

### BUSINESS ENVIRONMENT

China e-Wallet Payment Group Limited (the “Company”) operates in a challenging environment that is prone to technology innovations and reengineering cycles, changing consumer preferences and trade flows. We continuously scan our business environment and closely watch trends and developments that may affect our business and the way we operate. Our broad technology deployments and core businesses that move in line with different macro trends help us mitigate the primary effects of the external environment. We consider economic, social, legal, technological and political factors and have structured the Company in ways to allow us to adapt and change quickly to respond to market forces.

During the year 2024, the Company had met considerable challenges that were faced by major corporations in the global economy. However, the Company had adapted and continued to improve on its core businesses and delivery, placing innovation in its services and products, and business operations at its fundamental.

### THANK YOU

I would like to take this opportunity to express my sincere gratitude to our shareholders, business partners and customers for their continued support, as well as to the Group’s management team and staff for their tireless dedication and efforts in developing the long term prospects of the Group.

**Lin Chih Chia**  
*Executive Director*

Hong Kong, 31 March 2025



# Management Discussion and Analysis

## BUSINESS OVERVIEW

The Group is principally engaged in provision of internet and mobile application, developing interactive virtual reality technologies, and design and distribution of computer-related, mobile-related and beauty-related electronic products and accessories, and provision of project based system solution services.

The Group's revenue for the years ended 31 December 2024 and 2023 was illustrated as follows:

	2024 HK\$'000	2023 HK\$'000
Mobile's application development and settlement application services	8,987	49,380
Beauty, computer and mobile related electronic products and services	31,555	21,579
	40,542	70,959

### Mobile's application development and settlement application services

Since the change of directorships of the Company during the first quarter of 2024, the Group discontinued the loss-making business in relation to settlement application services and focused on its software and application development and consultation services, and generated a revenue of approximately HK\$9.0 million during the year ended 31 December 2024.

The software and application development services of the Group was generally turnkey projects whereby a fixed cost is charged for the entire project and the management team of this segment has over 20 years of experience in developing IT software and application. As the organizer and main contractor of the first anime theme interactive exhibition (namely "Dragon Ball Super-Immersive Lab Tour (Hong Kong)") in Hong Kong in 2019, the Group gained reputations for its quality of work in relation to design and installation of interactive projection mapping system. Being an active market participant in the IT industry, the Group has a solid client base from different industries to sustain its business growth.

### Beauty, computer and mobile related electronic products and services

The Group commenced the design and distribution of electronic products since 2011 with variety range of products from mobile-related electronic products, such as universal travel adapter and power bank, to beauty-related electronic products, such as mini RF anti-wrinkle skin beauty instrument. During the year under review,

approximately 86.8% of its electronic products were beauty-related and were mainly supplied to a leading medical aesthetic service provider which operates seven medical aesthetic centres in Hong Kong. As the favorable growth in this business, the Group would continue to focus on the design and distribution of beauty-related electronic products in 2025.

## DIVIDEND

The Board maintains a cautious view and, having regarded to the requirement to retain cash, has decided not to recommend a dividend in respect of the year ended 31 December 2024 (2023: HK\$Nil).

## FINANCIAL REVIEW

### Revenue

During the year ended 31 December 2024, revenue of the Group was mainly attributable to the design and distribution of beauty-related electronic products and accessories. For the year ended 31 December 2024, the Group reported a total revenue of approximately HK\$40.5 million, representing a decrease of 43.0% compared to approximately HK\$71.0 million in the same period in 2023. The decrease was mainly due to the decrease in revenue generated from mobile's application development and settlement application services.

## Management Discussion and Analysis

### Gross profit

Gross profit in 2024 was HK\$4.8 million which was a decrease, as compared to a gross profit of HK\$25.2 million in the same period of 2023. The decrease was in line with the decrease in revenue of the Group.

### Loss on deconsolidation of the subsidiaries

For the annual audit on the consolidated financial statements of the Group for the accounting period from 1 January 2023 to 31 December 2023, the Company's auditor requested all relevant documents of certain subsidiaries of the Company ("**Certain Subsidiaries**"), including but not limited to the management accounts, full set of general ledger and subledger, general journal and the supporting documents such as files of invoices, receipts, payslips etc.

Except for the latest management accounts of the Certain Subsidiaries were provided to auditor as audit evidence, the Company was unable to satisfy the remaining requests. In addition, as the management accounts of the Certain Subsidiaries were prepared by the former management of the Group, the current Board was also unable to confirm their accuracy and completeness. The Company's auditor expressed a disclaimer of opinion ("**Opinion**") on the consolidated financial statements for the year ended 31 December 2023.

The management of the Company (the "**Management**") understood that the circumstances leading to the Opinion were a) the missing of relevant documents and records of Certain Subsidiaries; and b) the current Board could not confirmed the accuracy and completeness of the latest management accounts of Certain Subsidiaries.

In order to address the issues giving rise, the Company has paid effort to reach the former executive directors of the Company, including Mr. Li Jinglong, Mr. Zhang Ligong and Mr. Wang Zhongling (the "**Missing Management**"), for the purpose of obtaining the documents and records of the Group for the year ended 31 December 2023.

For avoidance of doubt, as at the date of this report, the Group is still not able to reach the Missing Management. As a result of the foregoing and no relevant accounting documents preserved by the Group, including but not

limited to the management accounts, full set of general ledger and subledger, general journal and the supporting documents, such as files of invoices, receipts, payslips and contractual agreements, the Board considered that the control over the following Certain Subsidiaries had been lost since 1 January 2024.

- (1) RCG Hong Kong Holdings Limited
- (2) RCG (Hong Kong) Limited
- (3) RCG Corporation Limited
- (4) Goodwill Alliance International Limited
- (5) China Union Payment Holdings Limited

The results, assets, liabilities and cash flows of the Certain Subsidiaries were deconsolidated from the consolidated financial statements of the Group since 1 January 2024.

Loss on deconsolidation of the subsidiaries was approximately HK\$347.0 million for the year ended 31 December 2024.

### Selling and administrative expenses

Selling and administrative expenses, representing 13.1% (2023: 53.5%) of the Group's revenue for the year decreased by approximately HK\$32.7 million from approximately HK\$38.0 million in 2023 to approximately HK\$5.3 million in the same period in 2024. The decrease in selling and administrative expenses are in line with the decrease in revenue of the Group.

### Loss for the year

The Group's loss for the year was approximately HK\$344.7 million compared to loss of approximately HK\$31.2 million in the same period in 2023. The increase of net loss was mainly attributable to the recognition of loss on deconsolidation of the subsidiaries of approximately HK\$347.0 million.





## Management Discussion and Analysis

### Loss attributable to owners of the Company

Loss attributable to owners of the Company increased from a loss of approximately HK\$32.1 million in 2023 to a loss of approximately HK\$344.6 million in the same period of 2024.

## REVIEW OF THE GROUP'S FINANCIAL POSITION

### Liquidity and capital resources

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

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

There were no assets charged or pledged as at 31 December 2024 (2023: HK\$ Nil).

The Group had cash and cash equivalents of approximately HK\$6.2 million as at 31 December 2024 compared to approximately HK\$12.8 million as at 31 December 2023.

### CAPITAL COMMITMENTS

The Group had no capital commitments as at 31 December 2024 (2023: HK\$Nil).

### GEARING RATIO

As at 31 December 2024, the Group's gearing ratio was approximately 125.5%, as compared to 14.6% as at 31 December 2023. The gearing ratio was calculated as the Group's total liabilities divided by its total capital. The total liabilities and total capital of the Group were approximately HK\$34.0 million (2023: HK\$48.7 million) and HK\$27.1 million (2023: HK\$332.9 million) as at 31 December 2024.

## CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no contingent liabilities (2023: HK\$Nil). The Company has not been acted as a guarantor of its subsidiaries to secure any interest-bearing borrowings.

## FOREIGN EXCHANGE RISK MANAGEMENT

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

## HUMAN RESOURCES

As at 31 December 2024, in addition to the Directors, there were approximately 15 employees (2023: 21) of the Group stationed in the Group's offices in Hong Kong. Total staff costs (including directors' emoluments) for the year ended 31 December 2024 were approximately HK\$2.1 million, compared with approximately HK\$2.2 million in 2023.

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

## Management Discussion and Analysis

### MANAGEMENT OUTLOOK

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

By leveraging the knowledge on its interactive virtual reality programming on different business sectors, such as animation and culture, the Group obtained the license from the largest Japanese animation studio to conduct an interactive animation exhibition in Hong Kong in

2019. The Group will continue to explore the potential of this business opportunities and utilize its resource with prudence in the future.

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

The total number of issued share capital of the Company as at 31 December 2024 was 603,545,948 ordinary shares (2023: 603,545,948 ordinary shares).

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

### SIGNIFICANT INVESTMENTS

As at 31 December 2024, the Group had financial assets at fair value through profit or loss ("FVTPL") with a market value of approximately HK\$44.8 million. Details of the significant investments in the portfolio under financial assets at FVTPL are as follows:

Name of investee	Fair value gain/(loss) HK\$'000	Fair value as at 31 December 2024 HK\$'000	Percentage to the Group's total assets as at 31 December 2024 %	Fair value as at 31 December 2023 HK\$'000
China Investment and Finance Group Limited ("CIF")	3,528	18,048	29.5%	14,520
WLS Holdings Limited ("WLS")	(408)	7,144	11.7%	7,552
WMHW Holdings Limited ("WMHW")	2,760	4,458	7.3%	1,698
Amco United Holding Limited ("AUH")	(905)	4,344	7.1%	5,249
Milan Station Holdings Limited ("MSH")	(257)	3,994	6.5%	4,251
Harbour Digital Asset Capital Limited ("HDA")	(2,254)	2,196	3.6%	4,450
Asia Grocery Distribution Limited ("AGD")	274	1,630	2.7%	1,356
Sub-total	2,738	41,814	68.4%	39,076
Other listed equity securities	(722)	3,019	4.9%	3,741
Total	2,016	44,833	73.3%	42,817

Notes:

(a) CIF is engaged in securities trading and investment holding. Based on CIF's interim result for the six months ended 30 September 2024, revenue and loss of CIF were approximately HK\$3.3 million and HK\$7.0 million respectively. As at 31 December 2024, the Group held approximately 13.6 million shares (approximately 3.2%) of CIF.

(b) WLS is engaged in the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business, securities investment business and assets management business. Based on WLS's interim result for the six months ended 31 October 2024, revenue and profit of WLS were approximately HK\$46.8 million and HK\$30.5 million respectively. As at 31 December 2024, the Group held approximately 204.1 million shares (approximately 1.4%) of WLS.



## Management Discussion and Analysis

- (c) WMHW is engaged in securities trading and investment holding. Based on WMHW's interim result for the six months ended 30 September 2024, revenue and loss of WMHW were approximately HK\$26.0 million and HK\$4.7 million respectively. As at 31 December 2024, the Group held approximately 14.1 million shares (approximately 4.7%) of WMHW.
- (d) AUH are principally engaged in (i) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of money lending; and (iv) investment in securities. Based on AUH's annual result for the year ended 31 December 2024, revenue and loss of AUH were approximately HK\$37.8 million and HK\$1.2 million respectively. As at 31 December 2024, the Group held approximately 36.2 million shares (approximately 3.7%) of AUH.
- (e) MSH is engaged in retailing of handbags, fashion accessories and embellishments and spa and wellness products. Based on MSH's annual result for the year ended 31 December 2024, revenue and loss of MSH were approximately HK\$111.9 million and HK\$26.4 million respectively. As at 31 December 2024, the Group held approximately 21.5 million shares (approximately 2.0%) of MSH.
- (f) HDA is engaged in securities trading and investment holding. Based on HDA's annual result for the year ended 31 December 2024, revenue and loss of HDA were approximately HK\$1.2 million and HK\$16.8 million respectively. As at 31 December 2024, the Group held approximately 5.8 million shares (approximately 1.6%) of HDA.
- (g) AGD is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on AGD's interim result for the six months ended 30 September 2024, revenue and loss of AGD were approximately HK\$148.3 million and HK\$0.1 million respectively. As at 31 December 2024, the Group held approximately 13.0 million shares (approximately 1.1%) of AGD.

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

Except the significant investments disclosed above, as at 31 December 2024, there was no investment held by the Group the value of which was more than 2% of the total assets of the Group.

## CHANGE OF DIRECTORSHIP

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

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

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

Mr. Poon Chun Yin resigned as the executive Director on 18 December 2024.

As at date of this report, the Board comprises one executive Director, namely Mr. Lin Chih Chia, and three independent non-executive Directors, namely Miss Peng Jing Yi, Mr. Tse Tung Leung, Tony and Mr. Wong Sze Lok.

## MODIFIED AUDIT OPINION

The Company's auditor expressed a disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**Disclaimer**"), which mainly arises from insufficient appropriate audit evidence in relation to (i) the appropriateness of the recognition of a loss on deconsolidation of the Certain Subsidiaries; (ii) the completeness and accuracy of the consolidated financial position, consolidated financial performance and consolidated cash flows presented in the Group's consolidated financial statements and the related notes in relation to the deconsolidation of the Certain Subsidiaries; and (iii) the accuracy and completeness of the disclosure regarding the contingent liabilities and commitments.

## Management Discussion and Analysis

To resolve the Disclaimer, the Company is in the progress to identify appropriate buyer to whom it can dispose its equity interest in the Certain Subsidiaries. In the event that the Company successfully disposed the Certain Subsidiaries before 31 December 2025 (the “**Disposal**”), the Company’s management expects the audit modification could be confined to the amount recognised in relation to the Disposal to be stated in the consolidated financial statements of the Group for the year ending 31 December 2025, and will not affect the figures of the Group during the year ending 31 December 2026. On such basis, the Company’s management expects the audit modification on this matter could be resolved in the year ending 31 December 2027.

Based on the communication with the auditor of the Company, the Board (including the Audit Committee) and the auditor of the Company concurred that if the Company could provide sufficient appropriate audit evidence to the auditor of the Company to support the Disposal for the year ending 31 December 2025, except for the audit modifications on (a) the opening balances in relation to the deconsolidation of the Certain Subsidiaries

and the amount recognised in relation to the Disposal to be stated in the consolidated financial statements of the Group for the year ending 31 December 2025; and (b) the comparative figures to be stated in the consolidated financial statements of the Group for the year ending 31 December 2026, there would not be other audit modifications in respect of the matters referred to above. In respect of the consolidated financial statements of the Group for the year ending 31 December 2026, any audit modifications should solely relate to the comparability of 2025 figures. Accordingly, the Disclaimer will not have any continuing effect on the consolidated financial statements of the Group for the year ending 31 December 2027 and the subsequent years.

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry, the Company confirmed that all Directors have complied with the Model Code throughout the year ended 31 December 2024.



# Corporate Governance Report

## CORPORATE GOVERNANCE CODE

In connection with the listing of the Company on the Stock Exchange in February 2009, the Company adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix C1 to the Listing Rules as its additional code on corporate governance practices on 2 February 2009. The Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2024.

## BOARD COMPOSITION

The Directors during the year are:

### *Executive Directors:*

Lin Chih Chia (appointed on 31 January 2024)  
Poon Chun Yin (appointed on 31 January 2024 and resigned on 18 December 2024)  
Li Jinglong (removed on 31 January 2024)  
Zhang Ligong (removed on 31 January 2024)

### *Independent Non-executive Directors:*

Peng Jing Yi (appointed on 31 January 2024)  
Tse Tung Leung, Tony (appointed on 31 January 2024)  
Wong Sze Lok (appointed on 29 February 2024)  
Cheng Ruixiong (removed on 31 January 2024)

## Board Diversity Policy

The Nomination Committee adopted the board diversity policy on 29 August 2013.

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board achieved gender diversity as it currently has one female Director. The Board will maintain one or more female Director to be a member of the Board.

## RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall direction and strategy of the Group, its performance, management and major financial matters. The Board meets regularly to devise and monitor strategies, approve acquisitions and disposals, review managerial performance, examine capital expenditures, approve budgets and handle important financial matters. The Board monitors business risk exposures and reviews performance based on strategies, budgetary goals and development programs. The Board also considers employee issues, key appointments and information for shareholders of the Company (the “Shareholders”).

The Board meets at least four times a year at approximately quarterly intervals and the Directors receive information between meetings about the activities of the Group. All Directors have full and timely access to all relevant information of the Group. In addition to the meetings of the Board, the senior management meets frequently to review and discuss the daily operation of the Group.

Names of the Directors	Directors' Attendance
<i>Executive Directors:</i>	
Lin Chih Chia (appointed on 31 January 2024)	4/4
Poon Chun Yin (appointed on 31 January 2024 and resigned on 18 December 2024)	4/4
Li Jinglong (removed on 31 January 2024)	0/0
Zhang Ligong (removed on 31 January 2024)	0/0
<i>Independent Non-executive Directors:</i>	
Peng Jing Yi (appointed on 31 January 2024)	4/4
Tse Tung Leung, Tony (appointed on 31 January 2024)	4/4
Wong Sze Lok (appointed on 29 February 2024)	4/4
Cheng Ruixiong (removed on 31 January 2024)	0/0

### CODE FOR DIRECTORS' DEALINGS

In connection with the listing of the Company on the Stock Exchange in February 2009, the Company adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the year under review.

### GENERAL MEETING

During the year under review, the Company convened general meetings of the Company on 31 January 2024 and 18 June 2024 (the "2024 GM"). The attendance record is set out below:

Names of the Directors	Directors' Attendance
<i>Executive Directors:</i>	
Lin Chih Chia (appointed on 31 January 2024)	1/1
Poon Chun Yin (appointed on 31 January 2024 and resigned on 18 December 2024)	1/1
Li Jinglong (removed on 31 January 2024)	0/0
Zhang Ligong (removed on 31 January 2024)	0/0
<i>Independent Non-executive Directors:</i>	
Peng Jing Yi (appointed on 31 January 2024)	1/1
Tse Tung Leung, Tony (appointed on 31 January 2024)	1/1
Wong Sze Lok (appointed on 29 February 2024)	1/1
Cheng Ruixiong (removed on 31 January 2024)	0/0

Since there is no chairman of the Board of the Company following the retirement of chairman of the Company, on 5 June 2017, in accordance with bye-laws of the Company (the "Bye-laws"), Mr. Poon Chun Yin, the executive Director, was elected by the directors to chair the 2024 GM.

### DIRECTORS' APPOINTMENT, RE-ELECTION AND REMOVAL

Each of executive Directors has entered into a service agreement with the Company for a term of one year subject to termination by either party giving the other not less than three months' prior written notice.

Each of independent non-executive Directors has entered into a formal appointment letter with the Company for a term of one year subject to termination by either party giving the other not less than three months' prior written notice.

In accordance with bye-law 87(1) of the Bye-laws, all Directors (including executive Directors and independent non-executive Directors) are subject to retirement by rotation at least once every three years. In accordance with bye-law 87(1) of the Bye-laws, Mr. Lin Chih Chia and Mr. Tse Tung Leung, Tony will retire and seek re-election at the forthcoming annual general meeting.



## Corporate Governance Report

### BOARD MEETINGS AND BOARD PRACTICES

The Board meets at least four times a year and also meets on other occasions when a board-level decision on a particular matter is required. The company secretary of the Company (the “**Company Secretary**”) will assist the Chairman to prepare the agenda of meetings and each Director may request to include any matters in the agenda. The Company Secretary is responsible for distributing detailed documents to Directors prior to the meetings of the Board to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meetings so that they may receive accurate, timely and clear information. All Directors may access the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company’s expense. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings. All minutes of Board meetings were recorded in sufficient detail the matters considered by the Board and decisions reached.

### DELEGATION OF POWERS

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rules 3.10(1) and 3.10A of the Listing Rules, there are three independent non-executive directors representing at least one-third of the Board. Among the three independent non-executive directors, one has appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Board evaluates the independence of all independent non-executive Directors on an annual basis and has received written confirmation from each independent non-executive Director regarding his/her independence. As at the date of this report, the Board considers that all independent non-executive Directors are independent and in full compliance with the factors as set out in Rule 3.13 in the Listing Rules.

### RELATIONSHIP WITHIN DIRECTORS

None of the Directors and/or members of the senior management are related.





### DIRECTORS' TRAINING

According to the code provision C.1.4 of the CG Code, all directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors.

The Company has provided information related to the changes in the Listing Rules to the Directors to refresh and update the Directors' knowledge on the developments to the Listing Rules. During the year under review, the Company had received from each of the Directors the confirmations on taking continuous professional training.

Newly appointed Director will be arranged a comprehensive, formal and tailored induction which includes provision of key guidelines, documents and publications relevant to their roles, responsibilities and ongoing obligations; a briefing on the Company's structure, businesses, risk management and other governance practices and meeting with other fellow Directors so as to help the newly appointed Directors familiarize with the management, business and governance policies and practices of the Company, and ensure that they have a proper understanding of the operations and businesses of the Company.

### BOARD COMMITTEES

The Board has formally established a number of committees and agreed upon their terms of reference. The committees are:

#### Remuneration Committee

The Company established a remuneration committee (the "**Remuneration Committee**") on 28 June 2004 with written terms of reference, which was revised from time to time, in compliance with the CG Code. The primary function of the Remuneration Committee is to review the remuneration packages of all the Directors and the senior management and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year under review, the Remuneration Committee constitutes Ms. Peng Jing Yi, an independent non-executive Director, acting as chairlady of the Remuneration Committee with Mr. Lin Chih Chia, Mr. Tse Tung Leung, Tony and Mr. Wong Sze Lok, both of them are also independent non-executive directors, as members.

During the year under review, the Remuneration Committee made recommendations to the Board on remuneration of Directors and senior management and determined on behalf of the Board specific remuneration packages and conditions of employment for executive Directors and senior management with reference to their duties and responsibilities in the Company as well as the prevailing market conditions. The Remuneration Committee also determined the terms and conditions of service of the executive Directors, including the remuneration and grant of options to executive Directors and employees under the share option scheme of the Company and any other future share option schemes and arrangements adopted by the Company. Details of the Directors' remuneration and the executive share option scheme are shown in note 10 and 36 to the consolidated financial statements respectively.

#### Directors Remuneration Policy

The Company has adopted a Director Remuneration Policy, it sets out the general principles which guide the Group to deal with the remuneration matters. This remuneration policy aims to provide a fair market level of remuneration to retain and motivate high quality directors, senior management of the Group and attract experienced people of high calibre to oversee the business and development of the Group.





## Corporate Governance Report

During the year under review, two meetings were held. The attendance records for the Remuneration Committee meeting are as follows:

Names of the members	Members' Attendance
Peng Jing Yi ( <i>Chairlady</i> ) (appointed on 31 January 2024)	2/2
Lin Chih Chia (appointed on 31 January 2024)	2/2
Tse Tung Leung, Tony (appointed on 31 January 2024)	2/2
Wong Sze Lok (appointed on 29 February 2024)	2/2
Cheng Ruixiong (removed on 31 January 2024)	0/0

### Nomination Committee

The Company established a nomination committee (the “**Nomination Committee**”) on 28 June 2004 with written terms of reference, which was revised from time to time, in compliance with the CG Code. The primary functions of Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board, assess the independence of independent non-executive Directors, and make recommendations to the Board relating the redesignation and appointment of the Directors.

During the year under review, the Nomination Committee constitutes Ms. Peng Jing Yi, an independent non-executive Director, as chairlady of the Nomination Committee with Mr. Lin Chih Chia, Mr. Tse Tung Leung, Tony and Mr. Wong Sze Lok, both of them are also independent non-executive Directors, as members.

During the year under review, the Nomination Committee made recommendation to the Board on re-election of directors at the annual general meeting of the Company. It also reviewed the structure, size, composition and diversity of the Board and kept under review the leadership needs of the Group to ensure the continued ability of the Group to compete effectively in the market place.

### Board Nomination Policy

The Company adopted a nomination policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

### Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

## Corporate Governance Report

### Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

### Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy and recognises the benefits of having diversity in the composition of the Board.

The Company noted that people from different background and with different professional and life experience are likely to approach problems in different ways and accordingly, members of the Board with diverse background will bring different concerns and questions to the table, and allow the Board to consider a wider range of options and solutions when deciding on corporate issues and formulating policies for the Group. In determining the Board's composition and selection of candidates to the Board, the Nomination Committee will consider factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against the selection criteria, having regard for the benefits of diversity on the Board, the business model and specific needs of the Group. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

During the year under review, one meeting was held. The attendance record for the Nomination Committee meeting is as follows:

Names of the members	Members' Attendance
Peng Jing Yi ( <i>Chairlady</i> ) (appointed on 31 January 2024)	1/1
Lin Chih Chia (appointed on 31 January 2024)	1/1
Tse Tung Leung, Tony (appointed on 31 January 2024)	1/1
Wong Sze Lok (appointed on 29 February 2024)	1/1
Cheng Ruixiong (removed on 31 January 2024)	0/0

### Audit Committee

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

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

During the year under review, the Audit Committee performed its primary responsibility for monitoring the quality of risk management, internal control and financial reporting systems and ensuring that the performance of the Company's auditor relating to the Group's accounting and auditing matters are of good quality.

## Corporate Governance Report

The Audit Committee has reviewed with the management and the Company's independent external auditor, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"), the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting systems including the review of the consolidated financial statements of the Group for the year ended 31 December 2024, which McMillan Woods were engaged to audit.

During the year under review, two meetings were held. The attendance records for the Audit Committee meetings are as follows:

Names of the members	Members' Attendance
Wong Sze Lok ( <i>Chairman</i> ) (appointed on 29 February 2024)	2/2
Peng Jing Yi (appointed on 31 January 2024)	2/2
Tse Tung Leung, Tony (appointed on 31 January 2024)	2/2
Cheng Ruixiong (removed on 31 January 2024)	0/0

### CORPORATE GOVERNANCE FUNCTIONS

During the year under review, the Company's corporate governance functions were carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with code provision A.2.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### COMPANY SECRETARY

The Company has engaged in a service contract with an external service provider, which Mr. Chan Kam Fuk ("**Mr. Chan**") is appointed as the Company Secretary, from 25 October 2023. The biography of Mr. Chan has been set out on page 26 under the section of the Directors and Senior Management.

Being the Company Secretary, Mr. Chan plays an important role in supporting the board by ensuring good information flow within the Board and that Board policy and procedures are followed. He reported to the Board directly.

He has taken more than 15 hours of relevant professional training for the year ended 31 December 2024.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the remuneration in respect of audit services assignment provided by the auditor of the Company, McMillan Woods, amounted to approximately HK\$680,000 for auditing services.

McMillan Woods were engaged to audit the consolidated financial statements of the Group for the year ended 31 December 2024, whose term of office will expire upon the forthcoming annual general meeting. The Audit Committee has recommended to the Board that McMillan Woods be nominated for appointment as the auditor of the Company at the forthcoming annual general meeting.

### ANTI-CORRUPTION AND WHISTLE-BLOWING

The Group adopts a zero-tolerance approach to bribery, extortion, fraud and money laundering. The directors, management and staff must comply with related national and local government laws and regulations on the prevention of bribery, extortion, fraud and money laundering.

## Corporate Governance Report

All employees not only have the responsibility to understand and comply with the above regulations, but also have the obligation to report violations. Any person who contravenes the regulations will be subject to disciplinary sanction. The Group will arrange anti-corruption training for the Board and employees if necessary. With the implementation of clear policies and well-structured processes on purchases, sales, operation and finance, and the adoption of a high code of conduct especially in our senior management, the Group recorded zero corrupted cases nor breach of any anti-corruption laws, including but not limited to the Prevention of Bribery Ordinance (Cap.201) and Anti-Money Laundering Law of the PRC, during the Reporting Period, due to our daily anti-corruption methods and internal policies.

### DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 December 2024, the Board has selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The reporting responsibility of the auditor of the Company on the consolidated financial statements of the Company for the year ended 31 December 2024 are set out in the Independent Auditor's Report.

### SHAREHOLDERS' RIGHT

The rights of the Shareholders are set out in the Bye-laws.

#### Convening a special general meeting

The Shareholders may put forward their proposals or enquiries to the Board by sending their written request to the Company's principal place of business in Hong Kong.

Pursuant to bye-law 58 of the Bye-laws, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act.

#### Putting enquiries to the Board

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's principal place of business in Hong Kong.

#### Putting forward proposals at Shareholders' meeting

Shareholder(s) can also submit a written requisition to move a resolution at a general meeting pursuant to Section 79 to 80 of the Bermuda Companies Act if they (a) represent not less than one-twentieth of the total voting rights of those shareholders having the right to vote at a general meeting; or (b) are not less than one hundred shareholders. The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and deposited at the Company's principal place of business in Hong Kong.





## Corporate Governance Report

The written requisition must be signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's principal place of business in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week before the meeting in the case of any other requisition. A sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules should also be accompanied.

### DIVIDEND POLICY

In compliance with code provision F.1.1 of the CG Code, the Company has adopted a dividend policy ("**Dividend Policy**"). Subject to the Bermuda Companies Act and the Bye-laws, the Company may from time to time declare dividends to be paid to the shareholders of the Company but no dividend shall be declared in excess of the amount recommended by the Board. The Board may also from time to time pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits of the Company. Declaration of dividends is subject to the discretion of the Board, taking into consideration of, among others, (i) the Group's financial performance; (ii) the Group's capital requirements and debt level; (iii) the Group's liquidity position; (iv) retained earnings and distributable reserves of the Group; (v) the Group's business operations, business strategies and future development needs; (vi) any contractual, statutory and regulatory restrictions; and (vii) the general economic conditions and other factors that may have an impact on the performance and position of the Group. The Board will review the dividend policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

### RELATIONS WITH SHAREHOLDERS

The executive Directors and management team meet regularly with institutional investors, fund managers and analysts, as part of an active investor-relations program to discuss long-term issues and receive feedback. The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year under review and concluded as effective.

During the year under review, there has been no significant change in the Company's constitutional documents.

### INVESTOR RELATIONS

Enquiries relating to the Company's strategy or operations may be directed to:

Address: Unit 7I, 24/F., Wah Fat Industrial Building,  
10-14 Kung Yip Street, Kwai Chung, New  
Territories, Hong Kong

Email: [ir@chinaewallet802.com](mailto:ir@chinaewallet802.com)

### RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A year end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems conducted annually and the systems are considered to be effective and adequate. The Company does not have an internal audit department. However, the Group annually engaged an external consultant for internal control and risk management to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

## Corporate Governance Report

### Internal control implication on audit modifications

The Company's auditor expressed a disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**Disclaimer**"), which mainly arises from insufficient appropriate audit evidence in relation to (i) the appropriateness of the recognition of a loss on deconsolidation of the Certain Subsidiaries; (ii) the completeness and accuracy of the consolidated financial position, consolidated financial performance and consolidated cash flows presented in the Group's consolidated financial statements and the related notes in relation to the deconsolidation of the Certain Subsidiaries; and (iii) the accuracy and completeness of the disclosure regarding the contingent liabilities and commitments.

The directors of the Company during the year ended 31 December 2023 are Mr. Li Jinglong, Mr. Zhang Ligong, Mr. Wang Zhongling, Mr. Cheng Ruixiong, Mr. Kwan King Wah and Ms. Lo Suet Lai (collectively "**Former Directors**"). All of them were resigned or removed on or before 31 January 2024. The current directors of the Company ("**Current Board**") were appointed on 31 January 2024 and 29 February 2024. After their appointments, the Current Board have actively communicated with the Former Directors and the managerial staff of the subsidiaries of the Company in Hong Kong and the PRC to obtain the documents and records of the Group for the years ended 31 December 2023 and 2024. The Current Board discovered, after the takeover of management, that certain documents and records of Certain Subsidiaries were missing. In addition, the Group has lost contact with several former directors of the Company and the Certain Subsidiaries ("**Responsible Staff**"). As a result, the Current Board was unable to satisfy the auditor's request.

The Board understood that the circumstances leading to the Opinion were a) the missing of relevant documents and records of the Certain Subsidiaries; and b) the Current Board could not confirmed the accuracy and completeness of the latest management accounts of the Certain Subsidiaries.

To avoid re-occurrence of similar audit issues, the Company will engage an independent professional adviser (the "**Adviser**") to conduct an internal control review on the Group to identify any material deficiencies, such as record keeping and retention, and to improve the Group's internal control system (the "**System**"). The Company will adopt the recommendations made by the Adviser accordingly to strengthen the System.

### WHERE MORE INFORMATION ABOUT THE COMPANY IS AVAILABLE

This annual report 2024, and other information on the Company, may be reviewed on the website: [www.hklistco.com/802](http://www.hklistco.com/802).





## Directors' Report

The Board of the Company is pleased to present this annual report, together with the Group's consolidated financial statements for the year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in provision of internet and mobile application, developing interactive virtual reality technologies, and design and distribution of computer-related, mobile-related and beauty-related electronic products and accessories, and provision of project based system solution services. There were no material changes in the nature of the Group's principal activities during the year. The activities of its principal subsidiaries are set out in Note 20 to the consolidated financial statements.

### BUSINESS REVIEW

The business review of the Group's for the year is set out in the sections of Director's Statement, Management Discussion and Analysis, Five-Year Financial Summary and the paragraphs below.

The Group complies with the requirements under the Hong Kong Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group.

### KEY RISK FACTORS

The following lists out the key risks and uncertainties facing the Group.

#### Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

### Third-Party Risks

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

### KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyze on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

The Group is committed to promoting sustainable development, which is extremely important to create long-term value for the Group's shareholders, clients, employees, other stakeholders, as well as general public. The Company cares about the impact of its daily operation on environment and society, strives to set a good example for the public, while conducting business operation, it makes effort to meet the interests of all stakeholders, economy, environment, society and corporate governance and does its best to achieve a fine balance.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Profit or Loss and Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 31 and 32 respectively.

The Board maintains a cautious view to retain cash for running the business and fund its expansion, thus decided that there will be no dividend paid in respect of the year ended 31 December 2024.

### RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 35 and Note 35 to the consolidated financial statements respectively.

As at 31 December 2024, the Company did not have reserves available for distribution (2023: HK\$Nil).

### SHARE CAPITAL

The total number of issued share capital of the Company as at 31 December 2024 was 603,545,948 ordinary shares. Details of movements in the share capital during the year ended 31 December 2024 are set out in Note 24 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 15 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for approximately 81.7% of the Group's total sales for the year and sales to the Group's largest customer amounted to approximately 42.1%. Purchases from the Group's five largest suppliers accounted for approximately 78.5% to the Group's total purchases for the year and purchases from the Group's largest supplier amounted to approximately 36.7%.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the issue share capital of the Company as at the date of this annual report) had any interest in any of the Group's five largest customers and five largest suppliers.

### DIRECTORS

The Directors during the year and up to the date of this report are:

#### Executive Directors:

Lin Chih Chia (*appointed on 31 January 2024*)  
Poon Chun Yin (*appointed on 31 January 2024 and resigned on 18 December 2024*)  
Li Jinglong (*removed on 31 January 2024*)  
Zhang Ligong (*removed on 31 January 2024*)

#### Independent Non-executive Directors:

Peng Jing Yi (*appointed on 31 January 2024*)  
Tse Tung Leung, Tony (*appointed on 31 January 2024*)  
Wong Sze Lok (*appointed on 29 February 2024*)  
Cheng Ruixiong (*removed on 31 January 2024*)

## Directors' Report

### DIRECTORS' SERVICE CONTRACTS

Each of executive Directors has entered into a service agreement with the Company for a term of one year subject to termination by either party giving the other not less than three months' prior written notice.

Each of independent non-executive Directors has entered into a formal appointment letter with the Company for a term of one year subject to termination by either party giving the other not less than three months' prior written notice.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than statutory obligations.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### SIGNIFICANT CONTRACT

There is no contract of significance (whether or not for provision of service) was entered into between the Company and any of its subsidiaries and the controlling shareholders or its subsidiaries.

### INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Equity-linked agreements" in this report, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed below, as at 31 December 2024, none of the persons or companies had interest or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group.

Name	Capacity	No. of issued ordinary shares of the Company	Approximate percentage of the issued capital of the Company
Poon Chun Yin	Beneficial owner	125,940,000	20.9%
Song Qifeng	Beneficial owner	45,318,000	7.5%
Wee Ho	Beneficial owner	31,000,000	5.1%

## EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

### Share Option Scheme

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 June 2013, a share option scheme (the **"Share Option Scheme"**) was adopted. The Share Option Scheme was valid and effective for a period of ten years commencing on 28 June 2013 and expired on 27 June 2023.

The purpose of the Share Option Scheme is to attract and retain personnel, to provide incentives to participants to work towards enhancing the value of the Company and its share for the benefit of the Company and its shareholders as a whole.

The Board may, at its discretion and on such terms as it may think fit, grant any participant a share option as it may determine in accordance with the terms of the Share Option Scheme. Participants of the Share Option Scheme comprise Directors (including executive Directors and non-executive Directors) and full time employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, or service providers of any member of the Group. The share options granted must be accepted within 21 days from the date of the grant. Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

Since the Share Option Scheme was expired, total number of shares available for issue under the Share Option Scheme as at the date of this report shall be Nil shares.

The total number of shares issued and to be issued upon exercise of options granted and to be granted to each grantee (including exercised and outstanding options) in any twelve-month period shall not exceed 1 per cent of the shares in issue for the time being.

The Board may grant share options on such terms and subject to such conditions as it thinks fit, including the amount payable on acceptance of the share option and the period within which the option must be exercised. The Board may, in its absolute discretion, determine that share options will be subject to performance targets that must be achieved before vesting.

The subscription price payable on the exercise of a share option shall be a price determined by the Board at its absolute discretion and notified to a participant and shall be no less than the greatest of: (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; or (iii) the nominal value of the shares at the date of grant.

## Directors' Report

### Share Option Schemes

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2024 are as follows:

	Date of grant	Outstanding as at 1 January 2024	Granted	Exercised	Lapsed	Cancelled	Outstanding as at 31 December 2024	Vesting period	Exercisable period	Exercise price HK\$
<b>Category 1: Employees</b>										
	28.07.2017	4,966,000	-	-	(4,966,000)	-	-	-	28.07.2017 – 27.07.2027	0.995
	18.05.2021	36,820,000	-	-	(36,820,000)	-	-	-	18.05.2021 – 17.05.2024	0.565
	10.05.2022	60,340,000	-	-	(60,340,000)	-	-	-	10.05.2022 – 09.05.2025	0.330
Sub-total		102,126,000	-	-	(102,126,000)	-	-			
<b>Category 2: Directors</b>										
Li Jinglong (removed on 31 January 2024)	18.05.2021	6,000,000	-	-	(6,000,000)	-	-	-	18.05.2021 – 17.05.2024	0.565
Zhang Ligong (removed on 31 January 2024)	18.05.2021	6,000,000	-	-	(6,000,000)	-	-	-	18.05.2021 – 17.05.2024	0.565
Sub-total		12,000,000	-	-	(12,000,000)	-	-			
Total		114,126,000	-	-	(114,126,000)	-	-			

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company (other than service contracts with any Director or any person engaged in the full time employment of the Company) were entered into or existed during the year.

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

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

### CONNECTED TRANSACTIONS

During the year, there was no connected transaction required to be reported.

### EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

The Company has established the Remuneration Committee in June 2004. The emoluments of the directors of the Company are reviewed and approved by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market trends. The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in heading of "Equity-linked agreements" in this report.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws; or the laws of Bermuda, which would oblige the Company to offer new shares on pro-rata basis to existing shareholders.

### COMPETITION AND CONFLICT OF INTEREST

None of the Directors or substantial shareholders of the Company or any of their representative close associates has engaged in any business that competes or may compete with the businesses of the Group or has any other conflict of interest with the Group.

### 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 annual report, there is sufficient public float as required under the Listing Rules.

### CORPORATE GOVERNANCE

Details of the corporate governance practices of the Company are set out in the section of the Corporate Governance Report of this annual report from pages 10 to 19.

### CHARITABLE CONTRIBUTIONS

During the year under review, the Group did not make charitable contribution (2023: HK\$Nil).

### AUDITOR

HLB Hodgson Impey Cheng Limited resigned as the auditor of the Company on 19 January 2021 and McMillan Woods (Hong Kong) CPA Limited was appointed by the board of directors of the Company on 19 January 2021 to fill up the casual vacancy so arising. Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

McMillan Woods (Hong Kong) CPA Limited were engaged to audit the consolidated financial statements of the Group for the year ended 31 December 2024, whose term of office will expire upon the forthcoming annual general meeting. A resolution for the reappointment of McMillan Woods (Hong Kong) CPA Limited as the auditor of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

By order of the Board

**Lin Chih Chia**

*Executive Director*

Hong Kong, 31 March 2025





## Directors and Senior Management

### EXECUTIVE DIRECTOR

**Lin Chih Chia**

Mr. Lin Chih Chia ("**Mr. Lin**"), aged 30, was appointed as an executive Director on 31 January 2024. He holds an Associate's Degree in Management from Kang-Ning Junior College of Medical Care and Management (康寧醫護暨管理專科學校) in Taiwan in 2015.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Tse Tung Leung, Tony**

Mr. Tse Tung Leung, Tony ("**Mr. Tse**"), aged 45, was appointed as an independent non-executive Director on 31 January 2024. He holds a BBA in Marketing from Monash University in 2005.

**Peng Jing Yi**

Miss Peng Jing Yi ("**Miss Peng**"), aged 37, was appointed as an independent non-executive Director on 31 January 2024. She has over 7 years of experience in the banking industry in the PRC. Miss Peng holds a Degree from Hunan Mass Media Vocational and Technical College (湖南大眾傳媒職業技術學院) in 2010.

**Wong Sze Lok**

Mr. Wong Sze Lok ("**Mr. Wong**"), aged 52, was appointed as an independent non-executive Director on 29 February 2024. He has extensive experience in auditing and corporate governance.

Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1996 and a master of management degree from Macquarie University in November 2004 and a certificate of higher education in Law from University of Essex in December 2021. Mr. Wong is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of The Institute of Chartered Accountants in England and Wales and a Certified Information Systems Auditor.

Mr. Wong is currently an independent non-executive director of Aowei Holding Limited (Stock code: 1370), Cocoon Holdings Limited (Stock Code: 428), IVD Medical Holding Limited (Stock code: 1931) and TBK & Sons Holdings Limited (Stock code: 1960). Mr. Wong was an independent non-executive director of Grand Field Group Holdings Limited (Stock Code: 115) until 23 July 2021.

### COMPANY SECRETARY

**Chan Kam Fuk**

Mr. Chan Kam Fuk ("**Mr. Chan**"), aged 59, has extensive experience in finance, auditing and accounting. Mr. Chan graduated from The University of Southern Queensland, Australia with a Master of Professional Accounting in 1998 and from the City University of Hong Kong with the degree of Master of Science in Finance in 1995.

Mr. Chan is a non-practicing partner of Dominic K. F. Chan & Co., CPA and Centurion ZD CPA & Co., CPA, and a non-practicing director of Centurion ZD CPA Limited, accounting firms in Hong Kong. He is a qualified accountant in Hong Kong and Australia and therefore he meets the qualification requirements under Rule 3.28 of the Listing Rules.

## Independent Auditor's Report



### TO THE SHAREHOLDERS OF CHINA E-WALLET PAYMENT GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

### DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China e-Wallet Payment Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 31 to 91, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group as to whether they give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) or whether they have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

### BASIS FOR DISCLAIMER OF OPINION

#### (a) Deconsolidation of the subsidiaries

During the course of our audit for the year ended 31 December 2023, we have been advised by the board of directors of the Company that the accounting records and financial information of certain subsidiaries of the Company (the “**Certain Subsidiaries**”) for the year ended 31 December 2023 have not been made available due to (i) the resignation of two independent non-executive directors of the Company on 18 October 2023 and 31 October 2023; (ii) the resignation of the chief executive officer and executive director of the Company on 13 November 2023; (iii) the removal of the remaining two executive directors and an independent non-executive director of the Company upon receipts of a notice of requisition and resolution passed at a special general meeting held on 31 January 2024; (iv) the resignation of the key financial personnel of the Certain Subsidiaries (collectively referred to as the “**Missing Management**”); and (v) lack of a formal handover of the books and records of the Certain Subsidiaries from the Missing Management.

The incoming directors of the Company have made efforts to reach the Missing Management for the purpose of obtaining the books and records of the Group for the years ended 31 December 2023 and 2024, however, up to the date of approval of these consolidated financial statements, these efforts have been unsuccessful.

## Independent Auditor's Report

### BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

#### (a) Deconsolidation of the subsidiaries (Continued)

Based on the circumstances as above-mentioned, management of the Group has determined that control over the Certain Subsidiaries was lost with effect from 1 January 2024. As a result, a loss on deconsolidation of the Certain Subsidiaries of approximately HK\$346,985,000 has been recognised in the consolidated financial statements for the year ended 31 December 2024. However, we have not been provided with sufficient appropriate audit evidence to support this conclusion or to verify the recognition of the related loss on deconsolidation.

Due to the matters outlined above, we were unable to perform our audit procedures that we considered necessary to satisfy ourselves as to (i) the appropriateness of the recognition of a loss on deconsolidation of the Certain Subsidiaries of approximately HK\$346,985,000 for the year ended 31 December 2024; (ii) the completeness and accuracy of the consolidated financial position, consolidated financial performance and consolidated cash flows presented in the consolidated financial statements and the related notes to the consolidated financial statements for the year ended 31 December 2024; and (iii) the accuracy and completeness of the disclosure regarding the contingent liabilities and commitments up to the date of approval of these consolidated financial statements.

#### (b) Opening balances and the comparative information

As described in the preceding paragraphs, we were unable to obtain sufficient appropriate audit evidence regarding (i) the opening balances of the Certain Subsidiaries as at 1 January 2024 as set out below; (ii) the accuracy, existence and completeness for the comparative information presented in the consolidated financial statements for the year ended 31 December 2024; and (iii) the accuracy and completeness of the disclosure regarding the contingent liabilities and commitments of the comparative information.



**BASIS FOR DISCLAIMER OF OPINION (CONTINUED)****(b) Opening balances and the comparative information (Continued)***Assets and liabilities of the Certain Subsidiaries at 1 January 2024*

	HK\$'000
<b>Non-current assets</b>	
Property, plant and equipment	534
Goodwill	4,686
Intangible assets	–
	5,220
<b>Current assets</b>	
Trade receivables	43,103
Deposits, prepayments and other receivables	271,647
Cash and bank balances	743
	315,493
<b>Total assets</b>	<b>320,713</b>
<b>Current liabilities</b>	
Trade payables	2,055
Accruals and other payables	4,312
Income tax payables	6,308
	12,675
<b>Total liabilities</b>	<b>12,675</b>
<b>Net assets</b>	<b>308,038</b>

Any adjustments to the figures as described above might have consequential effects on the consolidated financial performance and consolidated cash flows for the year ended 31 December 2024 and the consolidated financial position of the Group as at 31 December 2024, as well as the related disclosures thereof in the consolidated financial statements.

Further, due to lack of access to complete accounting books and records of the Certain Subsidiaries and the inability to obtain information from the Missing Management, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether there were instances of non-compliance with applicable laws and regulations by the Certain Subsidiaries.

## Independent Auditor's Report

### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**McMillan Woods (Hong Kong) CPA Limited**  
Certified Public Accountants

**Yeung Man Sun**  
*Audit Engagement Director*  
Practising Certificate Number: P07606  
24/F., Siu On Centre  
188 Lockhart Road  
Wan Chai, Hong Kong

31 March 2025

## Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	7	<b>40,542</b>	70,959
Cost of sales		(35,770)	(45,757)
<b>Gross profit</b>		<b>4,772</b>	25,202
Other income and gain	8	<b>2,641</b>	852
Unrealised fair value gains/(losses) on financial assets at fair value through profit or loss ("FVTPL"), net		<b>2,016</b>	(5,057)
Loss on deconsolidation of the subsidiaries	32	<b>(346,985)</b>	–
Allowance for expected credit losses ("ECLs") on trade receivables and bond receivables		<b>(79)</b>	(13,515)
Selling and administrative expenses		<b>(5,330)</b>	(37,963)
<b>Loss from operations</b>		<b>(342,965)</b>	(30,481)
Finance costs	11	<b>(1,740)</b>	(1,667)
<b>Loss before tax</b>	9	<b>(344,705)</b>	(32,148)
Income tax credit	12	<b>–</b>	936
<b>Loss for the year</b>		<b>(344,705)</b>	(31,212)
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(344,618)</b>	(32,118)
Non-controlling interests		<b>(87)</b>	906
		<b>(344,705)</b>	(31,212)
<b>Loss per share</b>	13	<b>HK cents</b>	HK cents
– Basic and diluted		<b>(57.10)</b>	(5.32)





## Consolidated Statement of Profit or loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Loss for the year</b>		<b>(344,705)</b>	<b>(31,212)</b>
<b>Other comprehensive income for the year, net of tax:</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Release of translation reserve upon deconsolidation of the subsidiaries	32	38,947	–
Exchange differences on translating foreign operations		–	42
<b>Other comprehensive income for the year</b>		<b>38,947</b>	<b>42</b>
<b>Total comprehensive loss for the year</b>		<b>(305,758)</b>	<b>(31,170)</b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		(305,671)	(32,076)
Non-controlling interests		(87)	906
		<b>(305,758)</b>	<b>(31,170)</b>

# Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	1	534
Goodwill	17	–	4,686
Intangible assets	18	–	–
		1	5,220
<b>Current assets</b>			
Financial assets at FVTPL	19	44,833	42,817
Bond receivables	16	3,600	2,855
Trade receivables	21	6,170	46,119
Deposits, prepayments and other receivables	22	352	271,723
Cash and bank balances	23	6,176	12,813
		61,131	376,327
<b>Total assets</b>		<b>61,132</b>	<b>381,547</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	24	6,035	6,035
Reserves	25	21,622	325,957
<b>Equity attributable to owners of the Company</b>		<b>27,657</b>	<b>331,992</b>
Non-controlling interests		(550)	883
<b>Total equity</b>		<b>27,107</b>	<b>332,875</b>



## Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Bond payables	29	14,515	14,515
<b>Current liabilities</b>			
Trade payables	27	10,584	13,062
Accruals and other payables	28	5,519	11,620
Other borrowings	30	3,407	3,167
Income tax payables		–	6,308
		19,510	34,157
<b>Total liabilities</b>		34,025	48,672
<b>Total equity and liabilities</b>		61,132	381,547
<b>Net current assets</b>		41,621	342,170
<b>Total assets less current liabilities</b>		41,622	347,390
<b>Net assets</b>		27,107	332,875

The consolidated financial statements on pages 31 to 91 were approved and authorised for issue by the board of directors of the Company on 31 March 2025 and are signed on its behalf by:

Lin Chih Chia  
Director

Wong Sze Lok  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company								Non-controlling interests	Total
	Share-based									
	Share capital	Share premium	payment reserve	Capital reserve	Translation reserve	Statutory reserve	Accumulated losses	Sub-total		
	(Note 25(a))	(Note 25(b))	(Note 25(c))	(Note 25(d))	(Note 25(e))					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	6,035	2,965,692	20,800	(902)	(38,989)	48	(2,588,616)	364,068	(23)	364,045
Loss for the year	-	-	-	-	-	-	(32,118)	(32,118)	906	(31,212)
Other comprehensive income:										
Exchange differences on translating foreign operations	-	-	-	-	42	-	-	42	-	42
Total comprehensive loss for the year	-	-	-	-	42	-	(32,118)	(32,076)	906	(31,170)
Lapse and forfeiture of share options (note 36)	-	-	(1,125)	-	-	-	1,125	-	-	-
At 31 December 2023 and 1 January 2024	6,035	2,965,692	19,675	(902)	(38,947)	48	(2,619,609)	331,992	883	332,875
Loss for the year	-	-	-	-	-	-	(344,618)	(344,618)	(87)	(344,705)
Other comprehensive income:										
Release of translation reserve upon deconsolidation of the subsidiaries (note 32)	-	-	-	-	38,947	-	-	38,947	-	38,947
Total comprehensive loss for the year	-	-	-	-	38,947	-	(344,618)	(305,671)	(87)	(305,758)
Lapse and forfeiture of share options (note 36)	-	-	(19,675)	-	-	-	19,675	-	-	-
Acquisition of additional equity interest in a non-wholly owned subsidiary of the Company (note 20(iii))	-	-	-	1,336	-	-	-	1,336	(1,346)	(10)
Transfer upon deconsolidation of the subsidiaries (note 32)	-	-	-	-	-	(48)	48	-	-	-
At 31 December 2024	6,035	2,965,692	-	434	-	-	(2,944,504)	27,657	(550)	27,107



# Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(344,705)	(32,148)
Adjustments for:			
Amortisation of intangible assets		–	5,817
Depreciation of property, plant and equipment		1	279
Allowance for ECLs on trade receivables		79	6,776
Allowance for ECLs on bond receivables		–	6,739
Unrealised fair value gains/(losses) on financial assets at FVTPL, net		(2,016)	5,057
Bond interest income		(745)	(745)
Bank interest income		(1)	(2)
Dividend income		(5)	(5)
Gain on disposal of subsidiaries		(1,890)	–
Finance costs		1,740	1,667
Loss on deconsolidation of the subsidiaries		346,985	–
Operating cash flows before working capital changes		(557)	(6,565)
Increase in financial assets at FVTPL		–	(3,897)
Increase in trade receivables		(3,233)	(12,860)
(Increase)/decrease in deposits, prepayments and other receivables		(276)	17,180
(Decrease)/increase in trade payables		(423)	10,847
Decrease in accruals and other payables		(1,519)	(1,516)
<b>Net cash (used in)/generated from operating activities</b>		<b>(6,008)</b>	<b>3,189</b>
<b>Cash flows from investing activities</b>			
Payment for the purchase of property, plant and equipment		(2)	–
Bank interest income received		1	2
Dividend income received		5	5
Cash inflows on disposal of subsidiaries	31	120	–
Cash outflows from deconsolidation of the subsidiaries	32	(743)	–
<b>Net cash (used in)/from investing activities</b>		<b>(619)</b>	<b>7</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowings	37	–	3,000
Acquisition of additional equity interest in a non-wholly owned subsidiary of the Company	20(iii)	(10)	–
<b>Net cash (used in)/from financing activities</b>		<b>(10)</b>	<b>3,000</b>
Net (decrease)/increase in cash and cash equivalents		(6,637)	6,196
Cash and cash equivalents at the beginning of the year		12,813	6,656
Effect of exchange rate changes		–	(39)
<b>Cash and cash equivalent at the end of the year</b>	23	<b>6,176</b>	<b>12,813</b>



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

## 1. GENERAL INFORMATION

China e-Wallet Payment Group Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liability under Companies Act of Bermuda. The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit 71, 24/F., Wah Fat Industrial Building, 10-14 Kung Yip Street, Kwai Chung, New Territories, Hong Kong respectively. The Company’s shares are listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company acts as an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the “**Group**”) are set out in note 20.

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

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”). IFRS Accounting Standards comprise individual IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the disclosure requirements of the Hong Kong Companies Ordinance. Material accounting policy information adopted by the Group are disclosed in note 4.

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

## 3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### (a) Amendments to IFRS Accounting Standards that are effective for annual periods beginning on 1 January 2024

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024, for the preparation of these 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
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

#### (b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2024.

IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IAS 21 and IFRS 1	Lack of Exchangeability <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effect date to be determined by the IASB

The directors of the Company anticipate that all of the new and amendments to IFRS Accounting Standards will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new IFRS Accounting Standard that are expected to have material impact on the Group's accounting policies is provided below. Other amendments to IFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

#### IFRS 18 *Presentation and Disclosure in Financial Statements*

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the material accounting policy information below (e.g. financial assets at FVTPL carried at fair value).

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (a) Consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration received plus the fair value of any investment retained in that subsidiary; and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, if any.

#### (b) Goodwill

The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (c) Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK\$, which is the Company's functional and presentation currency.

##### (ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains or losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

##### (iii) *Translation on consolidation*

The results and financial position of all foreign entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (d) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	Over the lease terms
Furniture, fixtures and equipment	20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### (e) Lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

##### *The Group as a lessee*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group's entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Debt Investments*

Debt Investments held by the Group are classified into amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

##### *Equity Investments*

An investment in equity securities is classified as FVTPL. Dividends from an investment in equity securities are recognised in profit or loss as other income.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (h) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (the "ECL").

#### (j) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### (k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the end of the reporting period do not affect the classification at the end of the reporting period.

#### (l) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (m) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### (n) Revenue recognition

##### *Revenue from contracts with customers*

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- The Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance complete to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

##### *Provision of services – mobile application development and settlement application services*

Provision of mobile application development and settlement application services is recognised either (i) at a point in time when the control over the service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled; or (ii) over time based on the stage of completion of the services contracts.

The normal credit term ranges from 30 to 180 days upon delivery of the services.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (n) Revenue recognition (Continued)

##### *Distribution of beauty, computer and mobile related electronic products and accessories*

Revenue from the distribution of beauty-related, computer-related and mobile-related electronic products and accessories included beauty machine, mobile payment platform and gaming industry and in particular in application development for merchants, online gaming, interactive virtual reality experience utilities application for mobile platform and mass advertising are recognised when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

##### *Interest income*

Interest income is recognised as it accrues using the effective interest method. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

##### *Dividend income*

Dividend income is recognised when the shareholders' rights to receive payment are established.

#### (o) Employee benefit

##### *(i) Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### *(ii) Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (p) Share-based payments

The Group issues equity-settled share-based payments to certain employees and directors.

Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

#### (q) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise of equal taxable and deductible differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (r) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of the reporting period for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGU are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

#### (s) Impairment of financial assets

The Group recognises a loss allowance for the ECL on investments in debt instruments that are measured at amortised cost, trade receivables, bond receivables, deposits and other receivables. The amount of the ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition (stage 2 ECL). However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL (stage 1 ECL).

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (s) Impairment of financial assets (Continued)

##### *Significant increase in credit risk (Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (s) Impairment of financial assets (Continued)

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### (s) Impairment of financial assets (Continued)

##### *Measurement and recognition of ECL*

The measurement of the ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of the reporting period.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### (t) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.





## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

##### *Significant increase in credit risk*

As explained in Note 4(s), ECL under general approach are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

##### *Deconsolidation of the certain subsidiaries*

Given the facts that the accounting records and financial information of certain subsidiaries of the Company, comprising (i) RCG Hong Kong Holdings Limited; (ii) RCG (Hong Kong) Limited; (iii) RCG Corporation Limited; (iv) Goodwill Alliance International Limited; (v) China Union Payment Holdings Limited; and (vi) Huafu Tonglian Technology (Shenzhen) Co., Ltd.\* (華付通聯科技(深圳)有限公司) (collectively referred to the **"Deconsolidated Subsidiaries"**), for the years ended 31 December 2023 and 2024 have not been made available due to the (i) resignation or removal of the directors of the Company on 18 October 2023, 31 October 2023, 13 November 2023 and 31 January 2024; (ii) resignation of key financial personnel of the Deconsolidated Subsidiaries; and (iii) lack of a formal handover of the books and records of the Deconsolidated Subsidiaries, the directors of the Company have made judgements in preparing these consolidated financial statements for the year ended 31 December 2024 and concluded that the Company has loss of controls over the Deconsolidated Subsidiaries with effect from 1 January 2024.

Loss on deconsolidated of the Certain Subsidiaries of approximately HK\$346,985,000 (note 32) has been recognised for the year ended 31 December 2024.

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

\* The English name is for identification purpose only

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

#### (b) Key sources of estimation uncertainty (Continued)

##### *Impairment of trade receivables, bond receivables and deposits and other receivables*

The directors of the Company estimate the amount of loss allowance for ECL on (i) trade receivables; (ii) bond receivables; and (iii) deposits and other receivables based on the credit risk. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

The information about the ECL and the Group's trade receivables, bond receivables; and deposits and other receivables are disclosed in Note 34(b).

As at 31 December 2024, the carrying amounts of (i) trade receivables; (ii) bond receivables; and (iii) deposits and other receivables are approximately (i) HK\$6,170,000 (net of allowance for ECL of approximately HK\$190,000) (2023: HK\$46,119,000 (net of allowance for ECL of approximately HK\$32,327,000); (ii) HK\$3,600,000 (net of allowance for ECL of approximately HK\$6,836,000) (2023: HK\$2,855,000 (net of allowance for ECL of approximately HK\$6,836,000); and (iii) HK\$297,000 (net of allowance for ECL of approximately HK\$1,000) (2023: HK\$271,210,000 (net of allowance for ECL of approximately HK\$18,845,000) respectively.

### 6. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

#### **Fair value estimation**

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values as at 31 December 2024 and 2023.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 6. FAIR VALUE MEASUREMENTS (CONTINUED)

#### Fair value estimation (Continued)

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value:

	2024 Level 1 HK\$'000	2023 Level 1 HK\$'000
Financial assets at FVTPL		
Listed equity securities in Hong Kong		
– quoted bid price in an active market	44,833	42,817

During the years ended 31 December 2024 and 2023, there were no transfers in the fair value hierarchy between Level 1 and Level 2, or transfers into or out of Level 3.

### 7. REVENUE AND SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance.

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

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

#### Disaggregation of revenue from contracts with customers

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers within the scope of IFRS 15:</b>		
Mobile’s application development and settlement application services	8,987	49,380
Beauty, computer and mobile related electronic products and services	31,555	21,579
	40,542	70,959
<b>Timing of revenue recognition:</b>		
At a point in time	38,562	67,839
Over time	1,980	3,120
	40,542	70,959

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for mobile's application development and settlement application services such that no information has been disclosed in relation to the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

#### Geographical information

The Group principally operates in two geographical areas – Hong Kong and the People's Republic of China (the "PRC") (excluding Hong Kong). The Group's revenue from external customers, based on the location of the customer's operations, and the Group's non-current assets by geographical location are presented as follows:

	Revenue		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	38,562	27,679	1	5,220
The PRC	1,980	43,280	–	–
	40,542	70,959	1	5,220

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% (2023: 10%) of the total revenue of the Group is as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A <sup>2</sup>	17,055	N/A <sup>1</sup>
Customer B <sup>2</sup>	11,878	N/A <sup>1</sup>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

<sup>2</sup> Revenue generated from beauty-related electronic products and services.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 8. OTHER INCOME AND GAIN

	2024 HK\$'000	2023 HK\$'000
Bank interest income	1	2
Bond interest income	745	745
Dividend income	5	5
Gain on disposal of subsidiaries (note 31)	1,890	–
Sundry income	–	100
	<b>2,641</b>	<b>852</b>

### 9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Depreciation of property, plant and equipment*	1	279
Amortisation of intangible assets*	–	5,817
Auditor's remuneration		
– Audit services	680	680
Expenses relating to short-term leases	365	729
Staff costs, including directors' emoluments (note 10)		
– Salaries and allowances	2,044	2,153
– Retirement benefit scheme contributions	45	50
	<b>2,089</b>	<b>2,203</b>

\* Included in selling and administrative expenses.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 10. BENEFITS AND INTERESTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

#### (a) Directors' emoluments

Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance, Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and the Listing Rules) are presented as follows:

	Fees		Salaries and allowances		Retirement benefit scheme contributions		Share-based payment expenses		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
<i>Chief executive officer and executive director:</i>										
Wang Zhongling (Note (iv))	-	115	-	-	-	-	-	-	-	115
<i>Executive directors:</i>										
Poon Chun Yin (Note (ix))	-	-	-	-	-	-	-	-	-	-
Li Jinglong (Note (v))	-	180	-	-	-	-	-	-	-	180
Lin Chih Chia (Note (i))	220	-	-	-	-	-	-	-	220	-
Zhang Ligong (Note (v))	-	180	-	-	-	-	-	-	-	180
	220	360	-	-	-	-	-	-	220	360
<i>Independent non-executive directors:</i>										
Peng Jing Yi (Note (ii))	50	-	-	-	-	-	-	-	50	-
Tse Tung Leung, Tony (Note (ii))	-	-	-	-	-	-	-	-	-	-
Wong Sze Lok (Note (iii))	120	-	-	-	-	-	-	-	120	-
Kwan King Wah (Note (vi))	-	150	-	-	-	-	-	-	-	150
Lo Suet Lai (Note (vii))	-	96	-	-	-	-	-	-	-	96
Cheng Ruixiong (Note (viii))	10	120	-	-	-	-	-	-	10	120
	180	366	-	-	-	-	-	-	180	366
	400	841	-	-	-	-	-	-	400	841

Notes:

- (i) Mr. Lin Chih Chia was appointed as an executive director of the Company on 31 January 2024.
- (ii) Miss Peng Jing Yi and Mr. Tse Tung Leung, Tony were appointed as independent non-executive directors of the Company on 31 January 2024.
- (iii) Mr. Wong Sze Lok was appointed as an independent non-executive director of the Company on 29 February 2024.
- (iv) Mr. Wang Zhongling was resigned as executive director and chief executive officer of the Company on 13 November 2023.
- (v) Mr. Li Jinglong and Mr. Zhang Ligong were removed as executive director of the Company on 31 January 2024.
- (vi) Mr. Kwan King Wah was resigned as an independent non-executive director of the Company on 31 October 2023.
- (vii) Ms. Lo Suet Lai was resigned as an independent non-executive director of the Company on 18 October 2023.
- (viii) Mr. Cheng Ruixiong was removed as an independent non-executive director of the Company on 31 January 2024.
- (ix) Mr. Poon Chun Yin was appointed as executive director of the Company on 31 January 2024 and resigned on 18 December 2024.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 10. BENEFITS AND INTERESTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

#### (b) Five highest paid individuals

The five highest paid individuals of the Group include two (2023: three) directors of the Company whose emoluments are disclosed in note 10(a).

The aggregate amount of the emoluments in respect of the other three (2023: two) individuals is as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and allowances and retirement benefit scheme contributions	1,084	729
Nil to HK\$1,000,000	3	2

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of the directors of the Company, or any of the five highest paid individuals as the discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office.

No directors of the Company or any of the five highest paid individuals waived or agreed to waive any emoluments.

#### (c) Directors' material interest in transactions, arrangements or contracts

Save for disclosed in note 33, no other significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 11. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest expense on other borrowings	240	167
Interest expense on bond payables	1,500	1,500
	1,740	1,667

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 12. INCOME TAX CREDIT

The income tax credit for the years ended 31 December 2024 and 2023 represented the tax expense/(credit) of the followings:

	2024 HK\$'000	2023 HK\$'000
Current tax:		
– The PRC	–	520
Deferred tax:		
– Credited during the year (note 26)	–	(1,456)
	–	(936)

#### Hong Kong

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be subject to tax rate of 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit or had sufficient tax losses brought forward to offset against current year's assessable profit for the years ended 31 December 2024 and 2023.

#### The PRC

The PRC Enterprise Income Tax (the "PRC EIT") is calculated at the applicable tax rates of 25% (2023: 25%) in accordance with the relevant laws and regulations in the PRC. No provision for the PRC EIT during the year ended 31 December 2024 as there was no subsidiary established in the PRC.

#### Others

The Group is not subject to taxation in other jurisdictions.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 12. INCOME TAX CREDIT (CONTINUED)

The income tax credit can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
Loss before tax	(344,705)	(32,148)
Tax calculated at domestic income tax rate of 16.5% (2023: 25%) (note)	(56,876)	(8,037)
Tax effect of income not taxable for tax purposes	(768)	(853)
Tax effect of expenses not deductible for tax purposes	57,540	5,436
Tax effect of deductible temporary differences not recognised	13	–
Tax effect of deductible temporary differences previously not recognised	–	(91)
Tax effect of tax losses not recognised	91	2,049
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	–	560
Income tax credit	–	(936)

Note: The domestic tax rate used for the above reconciliation was determined as 16.5% (2023: 25%), which is the applicable tax rate under Hong Kong Profits Tax (2023: the PRC EIT) since the operation of the Group was substantially based in Hong Kong (2023: the PRC).

Details of deferred taxation are set out in note 26.

### 13. LOSS PER SHARE

The calculation of basic loss per share for the year ended 31 December 2024 is based on the Group's loss for the year attributable to owners of the Company of approximately HK\$344,618,000 (2023: HK\$32,118,000) and weighted average number of ordinary shares in issue during the year ended 31 December 2024 of 603,545,948 (2023: 603,545,948).

The basic and diluted loss per share are the same for the years ended 31 December 2024 and 2023 as the outstanding share options does not have any dilutive effect.

### 14. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: nil).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Cost</b>				
As at 1 January 2023, 31 December 2023 and 1 January 2024	833	5,791	932	7,556
Addition	–	2	–	2
Disposal of subsidiaries (note 31)	–	–	(932)	(932)
Deconsolidation of the subsidiaries (note 32)	–	(2,287)	–	(2,287)
<b>As at 31 December 2024</b>	<b>833</b>	<b>3,506</b>	<b>–</b>	<b>4,339</b>
<b>Accumulated depreciation and impairment</b>				
As at 1 January 2023	802	5,009	932	6,743
Charged for the year	30	249	–	279
As at 31 December 2023 and 1 January 2024	832	5,258	932	7,022
Charged for the year	1	–	–	1
Disposal of subsidiaries (note 31)	–	–	(932)	(932)
Deconsolidation of the subsidiaries (note 32)	–	(1,753)	–	(1,753)
<b>As at 31 December 2024</b>	<b>833</b>	<b>3,505</b>	<b>–</b>	<b>4,338</b>
<b>Carrying amount</b>				
<b>As at 31 December 2024</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>
As at 31 December 2023	1	533	–	534



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group carried out review of the recoverable amount of its property, plant and equipment as at 31 December 2023 as the Group incurred operating losses for the year ended 31 December 2023 as indication of possible impairment. These assets were mainly allocated to the Group's CGU of settlement application services (the "Settlement CGU").

As at 31 December 2023, the recoverable amount of the Settlement CGU has been determined on the basis of its value in use using discounted cash flows method. The key assumptions for the discounted cash flow method included the discount rates of 14.8%, revenue growth rates and budgeted gross margin. The Group estimated discount rates using pre-tax rates that reflected current market assessment of the time value of money and the risks specific to the Settlement CGU. The growth rates were based on long-term average economic growth rate of the geographical area in which the businesses of the Settlement CGU operate. Budgeted gross margin was based on past practices and expectations on market development.

The Group prepared profit projections and cash flows forecasts derived from the most recent financial budgets approved by the directors of the Company for the next five years with the residual period. As at 31 December 2023, the Group assessed and concluded no impairment losses were required to make as the recoverable amount of the Settlement CGU was higher than the carrying value of property, plant and equipment.

The directors of the Company concluded that the impact of the impairment was immaterial to the Group and no impairment has been performed for the year ended 31 December 2024.

### 16. BOND RECEIVABLES

On 23 March 2022, the Group subscribed an unconvertible bond with a principal amount of HK\$3,000,000. The bond is unsecured and interest-bearing at fixed rate of 6.5% per annum. The bond matured on 22 March 2024 and was repayable on demand as at 31 December 2024.

On 19 August 2021, the Group subscribed an unconvertible bond with a principal amount of HK\$5,000,000. The bond is unsecured, interest-bearing at fixed rate of 11% per annum and repayable on demand. The bond interest is receivable per annum from the issue date.

	2024 HK\$'000	2023 HK\$'000
Unlisted debt instrument, at amortised cost	10,436	9,691
Less: Allowance for ECLs	(6,836)	(6,836)
Bond receivables classified as current assets	3,600	2,855

Details of assessment of ECLs are set out in note 34(b)(ii).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 17. GOODWILL

	HK\$'000
<b>Cost</b>	
As at 1 January 2023, 31 December 2023 and 1 January 2024	187,566
Disposal of subsidiaries (note 31)	(26,066)
Deconsolidation of the subsidiaries (note 32)	(161,500)
As at 31 December 2024	–
<b>Accumulated impairment losses</b>	
As at 1 January 2023, 31 December 2023 and 1 January 2024	182,880
Disposal of subsidiaries (note 31)	(26,066)
Deconsolidation of the subsidiaries (note 32)	(156,814)
As at 31 December 2024	–
<b>Carrying amount</b>	
As at 31 December 2024	–
As at 31 December 2023	4,686

For the year ended 31 December 2023, goodwill has been allocated to the CGU of mobile's application development internet (the "Mobile CGU") for impairment assessment purpose.

At 31 December 2023, the goodwill, along with the brand name and distribution network included in intangible assets were allocated to the Mobile CGU for impairment testing. Based on the recoverable amount of the Mobile CGU, no impairment losses have been recognised in respect of the goodwill, brand name and distribution network included in intangible assets for the year ended 31 December 2023. Details of the impairment assessment are set out in note 18.

The goodwill has been disposed of during the year ended 31 December 2024 upon the deconsolidation of the subsidiaries as detailed in note 32.





## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 18. INTANGIBLE ASSETS

	Logo HK\$'000	Product development and design HK\$'000	Contract rights HK\$'000	Mobile application software and technology HK\$'000	Brand name and distribution network HK\$'000	Total HK\$'000
<b>Cost</b>						
As at 1 January 2023, 31 December 2023 and 1 January 2024	148	629,637	1,199,321	98,000	89,932	2,017,038
Disposal of subsidiaries (note 31)	–	–	–	–	(56,700)	(56,700)
Deconsolidation of the subsidiaries (note 32)	(148)	(629,637)	(1,199,321)	(98,000)	(33,232)	(1,960,338)
<b>As at 31 December 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Accumulated amortisation and impairment</b>						
As at 1 January 2023	148	629,637	1,199,321	98,000	84,115	2,011,221
Amortisation for the year	–	–	–	–	5,817	5,817
As at 31 December 2023 and 1 January 2024	148	629,637	1,199,321	98,000	89,932	2,017,038
Disposal of subsidiaries (note 31)	–	–	–	–	(56,700)	(56,700)
Deconsolidation of the subsidiaries (note 32)	(148)	(629,637)	(1,199,321)	(98,000)	(33,232)	(1,960,338)
<b>As at 31 December 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Carrying amount</b>						
<b>As at 31 December 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
As at 31 December 2023	–	–	–	–	–	–

The intangible assets “logo”, “product development and design”, “contract rights”, “mobile application software and technology” and “brand name and distribution network” as disclosed above are amortised over its estimated useful lives, which are 5, 5, 10, 5 and 5 years respectively.

#### Impairment assessment of intangible assets (brand name and distribution network) and goodwill

During the year ended 31 December 2023, the directors of the Company assessed the recoverable amount of the Mobile CGU to which brand name and distribution network included in the intangible assets and goodwill of approximately HK\$4,686,000 (note 17) were allocated. The recoverable amount of the Mobile CGU has been determined on the basis of value in use calculation and is based on certain key assumptions. The value in use calculation is based on cash flow projections prepared from financial budgets approved by the directors of the Company and valued by the independent professional valuer covering a 5 year period and pre-tax discount rate of 14.8%. Cash flows beyond the 5th year period are extrapolated using the estimated growth rate stated below and this growth rate does not exceed the average long-term growth rate for the industry.

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For the year ended 31 December 2024

### 18. INTANGIBLE ASSETS (CONTINUED)

#### Impairment assessment of intangible assets (brand name and distribution network) and goodwill (Continued)

The key assumptions used in value in use calculation at 31 December 2023 were as follows:

	2023
EBITDA margin (average of next five years)	79.68%
Long term growth rate	2.22%
Discount rate	14.80%

Management determined the earning before income tax, finance costs, depreciation and amortisation (“EBITDA”) margin based on past performance and its expectations regarding market development. The long-term growth rate did not exceed the long-term average growth rate for the industry and the country in which the Mobile CGU currently operates. The discount rate used was pre-tax and reflects specific risks relating to the Mobile CGU.

Based on the above-mentioned impairment assessment, no impairment loss was recognised on the goodwill and the brand name and distribution network included in the intangible assets as at 31 December 2023.

The intangible assets have been disposed of during the year ended 31 December 2024 upon the deconsolidation of the subsidiaries as detailed in note 32.

### 19. FINANCIAL ASSETS AT FVTPL

	2024 HK\$'000	2023 HK\$'000
Listed investments		
– Listed equity securities in Hong Kong	44,833	42,817

Financial assets at FVTPL are held for trading purpose and stated at fair value. The fair value of listed equity securities in Hong Kong is determined based on quoted market bid price available on the Stock Exchange.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 20. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2024 and 2023 are set out below:

Name	Principal place of business/ incorporation/ establishment and date of incorporation or establishment	Issued share capital/ registered capital	Percentage of equity attributable to the Company	Principal activities
<b>Directly held by the Company</b>				
RCG Hong Kong Holdings Limited	Hong Kong/British Virgin Islands ("BVI") 20 October 1999	US\$200	– (note (ii)) (2023: 100%)	Investment holding
Sharp Asia International Limited	Hong Kong/BVI 18 April 2005	US\$1,000	100% (2023: 100%)	Investment holding
Goodwill Alliance International Limited	Hong Kong/BVI 5 September 2018	US\$50,000	– (note (ii)) (2023: 100%)	Investment holding
<b>Indirectly held by the Company</b>				
RCG Corporation Limited	Hong Kong 26 November 1999	HK\$2	– (note (iii)) (2023: 100%)	Development of Internet and web software mobile application business
Most Ideas Limited	Hong Kong/BVI 3 January 2012	US\$50,000	55% (2023: 55%)	Investment holding
MG Interactive Limited ("MGI")	Hong Kong 21 June 2016	HK\$1,000	55% (2023: 55%)	Development of Internet and web software mobile application business
MG Interactive Entertainment Limited	Hong Kong 6 March 2007	HK\$1,960,000	100% (2023: 100%)	Development of Internet and web software
Easy Ideas Limited	Hong Kong/BVI 3 January 2012	US\$2	– (note (i)) (2023: 100%)	Investment holding
Techno Vision Limited	Hong Kong 14 February 2012	HK\$10,000	– (note (i)) (2023: 100%)	Computer system developments
Han Technology Company Limited	Hong Kong 9 April 2005	HK\$10	99.96% (note (iii)) (2023: 60%)	Trading of beauty, computer and mobile related electronic products
盈科創見科技(深圳)有限公司*	PRC 9 August 2012	RMB1,000,000	– (note (ii)) (2023: 100%)	Computer system developments
華付通聯科技(深圳)有限公司*	PRC 15 May 2018	RMB1,000,000	– (note (iii)) (2023: 100%)	Settlement application service

\* Wholly foreign-owned enterprises in the PRC, which registered as limited liability company under the PRC Law.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The above table lists the subsidiaries of the Company which, in the opinion of directors of the Company, principally affected the results or assets of the Group. To give the details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Notes:

- (i) These subsidiaries were disposed of during the year ended 31 December 2024 as detailed in note 31.
- (ii) These subsidiaries were deconsolidated during the year ended 31 December 2024 as detailed in note 32.
- (iii) During the year ended 31 December 2024, additional 33.96% equity interest in Han Technology Company Limited was acquired at a cash consideration of approximately HK\$10,000. Upon the acquisition of additional 33.96% equity interest in Han Technology Company Limited, a debit of non-controlling interest of approximately HK\$1,346,000 and a credit of capital reserve of approximately HK\$1,336,000 were recognised.

### 21. TRADE RECEIVABLES

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

	2024 HK\$'000	2023 HK\$'000
0 to 30 days	6,360	5,632
Over 180 days	–	72,814
	6,360	78,446
Less: Allowance for ECLs	(190)	(32,327)
	6,170	46,119

The credit terms of trade receivables are generally 30-180 days (2023: 30-180 days).

Lifetime ECL has been recognised for trade receivables for the years ended 31 December 2024 and 2023 and the movement is as follows.

	Total HK\$000
At 1 January 2023	25,551
Allowance for ECLs	6,776
At 31 December 2023 and 1 January 2024	32,327
Allowance for ECLs	79
Reversal of ECLs upon deconsolidation of the subsidiaries (note 32)	(32,216)
At 31 December 2024	190

Details of assessment of ECLs are set out in note 34(b)(ii).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Prepayments	55	513
Other deposits	62	284,553
Other receivables	236	5,502
	353	290,568
Less: Allowance for ECLs	(1)	(18,845)
	352	271,723

As at 31 December 2023, included in other deposits of approximately HK\$284,553,000 were deposits paid to induce merchants for the use of settlement application services. No such deposits were paid as at 31 December 2024.

Details of assessment of ECLs are set out in note 34(b)(ii).

### 23. CASH AND BANK BALANCES

	2024 HK\$'000	2023 HK\$'000
Cash at banks and on hand	6,176	12,813

As at 31 December 2024 and 2023, cash and bank balances carry interest at floating rates based on daily bank deposit rate. As at 31 December 2023, included in cash at bank of the Group were Renminbi which is not a freely convertible currency. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group was permitted to exchange Renminbi for other currencies through banks authorised to conduct foreign exchange business.

### 24. SHARE CAPITAL

	Number of shares	Amount HK\$	Share capital HK\$'000
<b>Authorised:</b>			
Ordinary shares of HK\$0.01 each			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	200,000,000,000	2,000,000,000	
<b>Issued and fully paid:</b>			
Ordinary shares of HK\$0.01 each			
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	603,545,948	6,035,460	6,035

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 25. RESERVES

#### The Group

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2024 and 2023 are presented in the consolidated statement of changes in equity.

#### Nature and purpose of reserves

##### (a) *Share premium*

Under the Company's Bye-Laws or the laws of Bermuda, the share premium account of the Company might be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

##### (b) *Share-based payment reserve*

It represents value of employee services in respect of share options granted to directors, employees and eligible participants of the Group recognised.

##### (c) *Capital reserve*

It represents the difference between the paid-in capital/share capital and share premium of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition at the time of group reorganisation prior to its listing on the Stock Exchange and the difference between the net assets of the subsidiaries of the Company acquired from non-controlling shareholders and the consideration paid to non-controlling shareholders.

##### (d) *Translation reserve*

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(c).

##### (e) *Statutory reserve*

In accordance with the PRC Companies Law and the Group's PRC subsidiaries' articles of association, the Group's PRC subsidiaries are required to allocate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC companies to the statutory reserve until such reserve reaches 50% of the registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders. The statutory reserve can be used to offset previous years' losses, if any, and part of the legal reserve can be capitalised as paid-in capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the paid-in capital of the Group's subsidiaries.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 26. DEFERRED TAX LIABILITIES

The following is the deferred tax liabilities of the Group and its movement thereon:

	Intangible assets HK\$'000
As at 1 January 2023	1,456
Credited to consolidated statement of profit or loss (note 12)	(1,456)
As at 31 December 2023, 1 January 2024 and 31 December 2024	–

Under the Law of the PRC on EIT, a withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

As at 31 December 2024 and 2023, deferred taxation has not been provided in the consolidated financial statements in respect of temporary difference attributable to profits earned by the Group's PRC subsidiaries since 1 January 2008 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

As at 31 December 2024, no deferred tax asset has been recognised in respect of (i) the estimated unused tax losses of approximately HK\$552,000; and (ii) the deductible temporary differences arising from the allowance for ECL on trade receivables of approximately HK\$190,000 (2023: HK\$32,327,000) due to the unpredictability of the future profits stream. The estimated unused tax losses might be carried forward indefinitely.

On 1 January 2024, certain estimated unused tax losses and deductible temporary differences, for which no deferred tax asset was recognised, were disposed of upon deconsolidation of the subsidiaries (note 32).

### 27. TRADE PAYABLES

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

	2024 HK\$'000	2023 HK\$'000
0 to 30 days	10,424	10,847
Over 90 days	160	2,215
	10,584	13,062

The credit terms of trade payables are generally 0-60 days (2023: 0-60 days).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 28. ACCRUALS AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Accruals	512	3,877
Other payables	51	4,287
Bond interest payables (note 29)	4,956	3,456
	<b>5,519</b>	11,620

### 29. BOND PAYABLES

On 8 January 2021, the Company issued an unconvertible bond with the principal amount of HK\$20,000,000 to an independent third-party not connected with the Group, at a consideration of HK\$20,000,000, to provide working capital of the Group. The effective interest rate is 10% per annum. The bond will be matured on 7 January 2026.

As at 31 December 2024 and 2023, the outstanding principal amount of the unconvertible bond is HK\$15,000,000.

	2024 HK\$'000	2023 HK\$'000
Bond payables classified under non-current liabilities	14,515	14,515
The bond payables are repayable as follows:		
Two to five years	14,515	14,515

### 30. OTHER BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Other borrowings	3,407	3,167

As at 31 December 2024, the unsecured other borrowings amounted to approximately HK\$3,407,000 (2023: HK\$3,167,000) are payable within one year. The effective interest rate of the other borrowings is 8% (2023: 8%).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 31. DISPOSAL OF SUBSIDIARIES

On 31 October 2024, the Company entered into a sale and purchase agreement with an independent third party not connected to the Group for the disposal of entire equity interest in Easy Ideas Limited, a company incorporated in the BVI and wholly-owned by the Group, at a cash consideration of HK\$120,000. Easy Ideas Limited and its subsidiaries (collectively referred to as the “**Easy Ideas Group**”) are principally engaged into the computer system developments. The disposal has been completed on 31 October 2024. Immediately after the completion of the disposal, the Easy Ideas Group has been ceased to be subsidiaries of the Company and the Company has lost control over the Easy Ideas Group.

The consideration and the net assets of the Easy Ideas Group at the date of disposal were as follows:

#### Consideration received

	HK\$'000
Cash consideration received	120

#### Analysis of assets and liabilities over which control was lost

	31 October 2024 HK\$'000
Plant and equipment	–
Goodwill	–
Intangible assets	–
Other payables	(1,636)
Income tax payable	(134)
Net liabilities disposed of	(1,770)

#### Gain on disposal of subsidiaries

	2024 HK\$'000
Consideration received	120
Add: Net liabilities disposed of	1,770
Gain on disposal of subsidiaries (note 8)	1,890

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 31. DISPOSAL OF SUBSIDIARIES (CONTINUED)

#### *Net cash inflows on disposal of subsidiaries*

	2024 HK\$'000
Cash consideration received	120

The results of the Easy Ideas Group from 1 January 2024 to 31 October 2024, being the date of the completion of the disposal, were as follows:

	2024 HK\$'000
Revenue	–
Administrative expenses	(34)
Loss for the period	(34)
Income tax	–
Loss and total comprehensive expense for the period	(34)

### 32. DECONSOLIDATION OF THE SUBSIDIARIES

With effect from 1 January 2024, the financial results, assets and liabilities of the Deconsolidated Subsidiaries had been deconsolidated from the consolidated financial statements of the Group. After the resignation of the former directors of the Deconsolidated Subsidiaries, the former directors of the Deconsolidated Subsidiaries failed to hand over all the accounting books and financial records of, and all business records in connection with the Deconsolidated Subsidiaries. As a result, the Group was unable to locate complete set of books and records for the Deconsolidated Subsidiaries. Due to the lack of access to these records and absence of the former directors, the directors of the Company considered that the Company has loss of controls over the Deconsolidated Subsidiaries. Consequently, the Group recorded a loss on deconsolidation of the subsidiaries of approximately HK\$346,985,000 for the year ended 31 December 2024.

Details are set out in the Company's announcements dated 2 July 2024, 2 October 2024 and 2 January 2025 and 2023 annual report of the Company.

The followings are summary of the assets and liabilities of the Deconsolidated Subsidiaries on 1 January 2024 and the calculation of the loss on deconsolidation of the subsidiaries for the year ended 31 December 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 32. DECONSOLIDATION OF THE SUBSIDIARIES (CONTINUED)

*Analysis of assets and liabilities on the Deconsolidated Subsidiaries at the date of loss of controls*

	1 January 2024 HK\$'000
Property, plant and equipment	534
Goodwill	4,686
Intangible assets	–
Trade receivables	43,103
Deposits, prepayments and other receivables	271,647
Cash and bank balances	743
Trade payables	(2,055)
Accruals and other payables	(4,312)
Income tax payables	(6,308)
Net assets disposed of	308,038

*Loss on deconsolidation of the subsidiaries*

	2024 HK\$'000
Net assets disposal of	308,038
Add: release of deficit balance of translation reserve upon deconsolidation of the subsidiaries	38,947
Loss on deconsolidation of subsidiaries	346,985

*Net cash outflows from deconsolidation of subsidiaries*

	2024 HK\$'000
Cash and bank balances disposed of	(743)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 32. DECONSOLIDATION OF THE SUBSIDIARIES (CONTINUED)

The results of the Deconsolidated Subsidiaries for the year ended 31 December 2023 were as follows:

	2023 HK\$'000
<b>Revenue</b>	43,280
Cost of sales	(23,258)
<b>Gross profit</b>	20,022
Allowance for ECL on trade receivables, deposits and other receivables	(6,664)
Selling and administrative expenses	(33,659)
<b>Loss for the year</b>	(20,301)
Income tax credit	310
<b>Loss for the year</b>	(19,991)
<b>Other comprehensive income for the year, net of tax:</b>	
<i>Item that may be subsequently reclassified to profit or loss</i>	
Exchange differences on translating foreign operations	42
<b>Total comprehensive loss for the year</b>	(19,949)
<b>Loss for the year attributable to:</b>	
– owners of the Company	(19,976)
– non-controlling interests	(15)
	(19,991)
<b>Total comprehensive loss for the year attributable to:</b>	
– owners of the Company	(19,934)
– non-controlling interests	(15)
	(19,949)





## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 33. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following significant related party transactions:

#### Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 10, is as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and allowances	400	841

### 34. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	2024 HK\$'000	2023 HK\$'000
<b>Financial assets</b>		
Financial assets at FVTPL	44,833	42,817
Financial assets at amortised cost (including cash and bank balances)	16,243	332,997
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	34,025	42,364

#### (b) Financial risk management objective and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, deposits, bond receivables, bond payables, trade and other payables and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (i) Market Risk

###### Price Risk

The Group is exposed to price risk mainly through its investment in listed equity securities. The directors of the Company manage this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's price risk is mainly concentrated in equity securities listed on the Stock Exchange for the years ended 31 December 2024 and 2023. The directors of the Company will monitor the risks and consider hedging the risk exposure should the need arise.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (i) Market Risk (Continued)

###### *Equity price sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to price risk at the end of the reporting period.

If the equity prices had been 15% higher/lower (2023: 15% higher/lower):

- loss before tax for the year ended 31 December 2024 would be decreased/increased by approximately HK\$6,725,000 (2023: HK\$6,423,000) as a result of unrealised fair value gains/losses of financial assets at FVTPL.

###### *Foreign currency risk*

The Group mainly operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi (“RMB”) and HK\$. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The management of the Group does not expect the net foreign currency risk from these activities to be significant and hence, the Group do not presently hedge the foreign exchange risks. The Group periodically review liquid assets and liabilities held in currencies other than the functional currencies of the respective subsidiaries to evaluate its foreign exchange risk exposure and will consider hedging significant foreign currency exposure should the need arise.

In the opinion of the directors of the Company, the exposure of foreign currency risk is insignificant for the years ended 31 December 2024 and 2023 as the main operations of the Group are denominated in the functional currency of the respective subsidiaries of the Group. Hence, no sensitivity analysis was performed.

###### *Interest rate risk*

The Group's bond receivables, bond payables and other borrowings bear interests at fixed interest rates which expose the Group to fair value interest rate risks.

The Group's exposure to cash flow interest rate risk mainly arises from its bank deposits. These bank deposits bear interests at floating rates varied with the prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, and its income and operating cash flows are substantially independent of changes in market interest rates.

##### (ii) Credit risk

The Group's credit risk is primarily attributable to trade receivables, bond receivables, deposits and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (ii) Credit risk (Continued)

It is the risk that a counterparty is unable to pay amount in full when due. It arises primarily from the Group's receivables. The Group limits its exposure to credit risk by rigorously selecting counterparties. The Group mitigates its exposure to risk relating to receivables by dealing with customers with sound financial standing. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. In addition, all receivables balances are monitored on an ongoing basis and overdue balances are followed up by management of the Group. The amounts presented in the consolidated statement of financial position are net of loss allowance for ECLs, if any, estimated by the management of the Group based on prior experience and the current economic environment. The Group reviews the loss allowance for ECLs of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company believe that the credit risk is significantly reduced. The Group has a concentration of credit risk in certain individual customers. At the end of the reporting period, the five largest receivable balances accounted for 100% as at 31 December 2024 (2023: 29.2%) of the trade receivables and the largest trade receivable was 78.7% (2023: 13.6%) of the Group's total trade receivables. The Group seeks to minimise its risk by dealing with counterparties which have a good credit history. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (ii) Credit risk (Continued)

##### *Trade receivables*

The Group applies the simplified approach to provide for ECL, as required by IFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed a historical analysis and identified the economic variable credit risk and expected credit loss. This considers available reasonable and supportive forwarding-looking information.

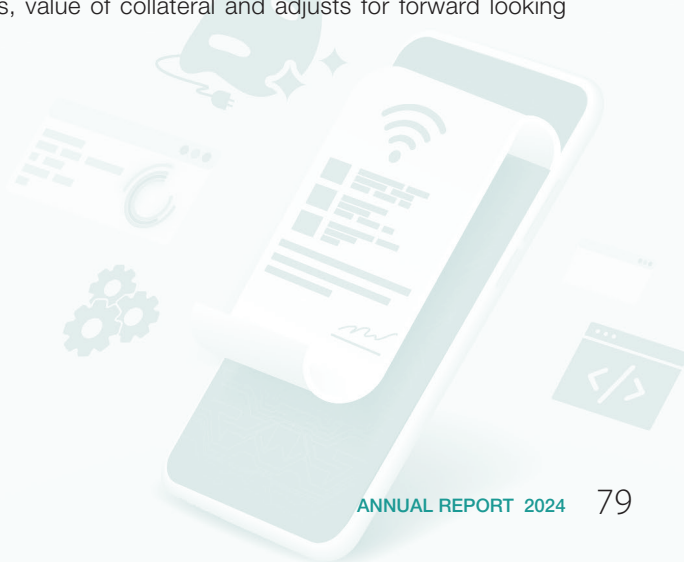
As at 31 December 2024	0 to 30 days	Over 180 days	Total
ECL rate	3.0%	N/A	
Gross carrying amount (HK\$'000)	6,360	–	6,360
Lifetime ECL (HK\$'000)	(190)	–	(190)
<b>Net carrying amount (HK\$'000)</b>	<b>6,170</b>	<b>–</b>	<b>6,170</b>

As at 31 December 2023	0 to 30 days	Over 180 days	Total
ECL rate	2.0%	44.2%	
Gross carrying amount (HK\$'000)	5,632	72,814	78,446
Lifetime ECL (HK\$'000)	(111)	(32,216)	(32,327)
<b>Net carrying amount (HK\$'000)</b>	<b>5,521</b>	<b>40,598</b>	<b>46,119</b>

##### *Bond receivables, deposits and other receivables*

The Group applies general approach and uses three categories for ECL on bond receivables, deposits and other receivables. These categories reflect their credit risk and how the loss allowance is determined for the category. In calculating the ECL rates, the Group considers historical loss rates for each category, the prevailing economic conditions, value of collateral and adjusts for forward looking data.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (ii) Credit risk (Continued)

##### *Bond receivables, deposits and other receivables (Continued)*

The movement of loss allowance for bond receivables during the years ended 31 December 2024 and 2023 are as follows:

	(Stage 1 12-month ECL) HK\$'000	Bond receivables (Stage 3 Lifetime ECL and credit-impaired) HK\$'000	Total HK\$'000
At 1 January 2023	97	–	97
Transfer from			
Stage 1 to Stage 3	(62)	62	–
Allowance for ECLs	500	6,239	6,739
At 31 December 2023 and 1 January 2024	535	6,301	6,836
Transfer from Stage 1 to Stage 3	(535)	535	–
At 31 December 2024	–	6,836	6,836

The movement of loss allowances for deposits and other receivables during the years ended 31 December 2024 and 2023 are as follows:

	(Stage 1 12-month ECL) HK\$'000	Deposits and other receivables (Stage 2 Lifetime ECL and not credit-impaired) HK\$'000	Total HK\$'000
At 1 January 2023	18,845	–	18,845
Transfer from			
Stage 1 to Stage 2	(18,845)	18,845	–
At 31 December 2023 and 1 January 2024	–	18,845	18,845
Deconsolidation of the subsidiaries (note 32)	–	(18,844)	(18,844)
At 31 December 2024	–	1	1

The Group deposited bank balances with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to bank balances held to be delayed or limited. The directors of the Company monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk at 31 December 2024 and 2023 were minimal.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (ii) Credit risk (Continued)

##### *Maximum exposure and year-end staging*

The table below shows the credit quality and the maximum exposure based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

##### Maximum exposure as at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Trade receivables	–	–	–	6,360	6,360
Other receivables	–	236	–	–	236
Other deposits	–	62	–	–	62
Bond receivables	–	–	10,436	–	10,436
	–	298	10,436	6,360	17,094

##### Maximum exposure as at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total HK\$'000
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Trade receivables	–	–	–	78,446	78,446
Other receivables	–	5,502	–	–	5,502
Other deposits	–	284,553	–	–	284,553
Bond receivables	3,390	–	6,301	–	9,691
	3,390	290,055	6,301	78,446	378,192



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management objective and policies (Continued)

##### (iii) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The following tables detail the Group's remaining contractual maturity for its non-derivate financial liabilities based on the agreed repayment terms as at 31 December 2024 and 2023. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Contractual undiscounted cash flow				Total carrying amount HK\$'000
	On demand and within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Total HK\$'000	
As at 31 December 2024					
Non-derivative financial liabilities					
Trade payables	10,584	–	–	10,584	10,584
Accruals and other payables	5,519	–	–	5,519	5,519
Other borrowings	3,480	–	–	3,480	3,407
Bond payables	–	15,000	–	15,000	14,515
	19,583	15,000	–	34,583	34,025
As at 31 December 2023					
Non-derivative financial liabilities					
Trade payables	13,062	–	–	13,062	13,062
Accruals and other payables	11,620	–	–	11,620	11,620
Other borrowings	3,240	–	–	3,240	3,167
Bond payables	–	–	15,000	15,000	14,515
	27,922	–	15,000	42,922	42,364

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance.

The Group's overall strategy remains unchanged from 2023 to 2024.

The capital structure of the Group consists of net debts and equity of the Group (comprising issued capital and all reserves as stated in consolidated statement of changes in equity).

The gearing ratio at the end of the reporting period was as follows.

	2024 HK\$'000	2023 HK\$'000
Debt (comprising bond interest payables (note 28), bond payables (note 29) and other borrowings (note 30))	22,878	21,138
Less: cash and bank balances (note 23)	(6,176)	(12,813)
Net debt	16,702	8,325
Equity	27,107	332,875
Net debt to equity ratio	61.62%	2.50%

The only externally imposed capital requirement for the Group is to maintain a public float of at least 25% of the shares for its listing on the Stock Exchange. As at 31 December 2024 and 2023, the Group has maintained a public float of at least 25% of the shares.



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Statement of financial position of the Company

	Notes	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current asset</b>			
Investments in subsidiaries	20	928	30,928
<b>Current assets</b>			
Amounts due from subsidiaries		–	1,860
Bond receivables		3,600	2,855
Other receivables		158	–
Cash and bank balances		2,648	217
		6,406	4,932
<b>Total assets</b>		<b>7,334</b>	<b>35,860</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	24	6,035	6,035
Reserves	(b)	(25,815)	(24,830)
<b>Capital deficiency</b>		<b>(19,780)</b>	<b>(18,795)</b>
<b>Current liabilities</b>			
Amounts due to subsidiaries		7,592	36,804
Accruals and other payables		5,007	3,336
		12,599	40,140
<b>Non-current liability</b>			
Bond payables		14,515	14,515
<b>Total liabilities</b>		<b>27,114</b>	<b>54,655</b>
<b>Total equity and liabilities</b>		<b>7,334</b>	<b>35,860</b>
<b>Net current liabilities</b>		<b>(6,193)</b>	<b>(35,208)</b>
<b>Total assets less current liabilities</b>		<b>(5,265)</b>	<b>(4,280)</b>
<b>Net liabilities</b>		<b>(19,780)</b>	<b>(18,795)</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 35. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company:

	Share premium (Note 25(a)) HK\$'000	Share-based payment reserve (Note 25(b)) HK\$'000	Capital reserve (Note 25(c)) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 January 2023	2,965,692	20,800	8,877	(2,980,834)	14,535
Loss and total comprehensive loss for the year	–	–	–	(39,365)	(39,365)
Lapse and forfeiture of share options (note 36)	–	(1,125)	–	1,125	–
As at 31 December 2023 and 1 January 2024	2,965,692	19,675	8,877	(3,019,074)	(24,830)
Loss and total comprehensive loss for the year	–	–	–	(985)	(985)
Lapse and forfeiture of share options (note 36)	–	(19,675)	–	19,675	–
<b>As at 31 December 2024</b>	<b>2,965,692</b>	<b>–</b>	<b>8,877</b>	<b>(3,000,384)</b>	<b>(25,815)</b>



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 36. SHARE-BASED PAYMENT RESERVE

	2024 HK\$'000	2023 HK\$'000
As at the beginning of the year	19,675	20,800
Lapse and forfeiture of share options	(19,675)	(1,125)
As at the end of the year	–	19,675

- (a) The Company has adopted the option scheme on 28 June 2013 (the “**Option Scheme**”) whereby the directors of the Company are authorised, at their discretion, to invite eligible participants of the Group, including the employees and directors of any company in the Group, to take up options at HK\$1 consideration to subscribe for shares of the Company. The Option Scheme will remain in force for a period of 10 years commencing from 28 June 2013. Options granted must be accepted within 21 days from the date of the grant. The exercise period of the share options granted is determined by the directors of the Company but not later than 10 years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares of the Company.

The purpose of the Option Scheme is to provide incentives and/or rewards to eligible participants for their contributions to, and continuing efforts to promote the interests of the Company.

The maximum number of shares in respect of which share options may be granted under the Option Scheme and any other share option scheme of the Company shall be 10% of the shares in issue as at 28 June 2013.

The exercise price must be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares on the date of the grant.

The Option Scheme was expired on 27 June 2023 and no renewal of the Option Scheme has been made during the years ended 31 December 2024 and 2023.

During the years ended 31 December 2024 and 2023, the Company did not grant any share options to eligible participants and no share options exercised under the share option scheme of the Company.

All options are to be settled in cash. Staff who had resigned from the Group would forfeit their respective granted share options.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 36. SHARE-BASED PAYMENT RESERVE (CONTINUED)

- (b) Movements in the number of share options outstanding and the related weighted average exercise prices are as follows:

	2024		2023	
	Weighted average exercise price per share	Number of options	Weighted average exercise price per share	Number of options
Outstanding as at the beginning of the year	HK\$0.459	114,126,000	HK\$0.465	120,126,000
Lapse of share options	HK\$0.565	(36,820,000)	–	–
Forfeiture of share options	HK\$0.409	(77,306,000)	HK\$0.565	(6,000,000)
Outstanding as at the end of the year	–	–	HK\$0.459	114,126,000

	Date of grant	Exercise price HK\$	Outstanding as at 1 January 2024	Lapsed	Forfeited	Outstanding as at 31 December 2024	Exercisable period
<b>Employees</b>							
	28.07.2017	0.995	4,966,000	–	(4,966,000)	–	28.07.2017 – 27.07.2027
	18.05.2021	0.565	36,820,000	(36,820,000)	–	–	18.05.2021 – 17.05.2024
	10.05.2022	0.330	60,340,000	–	(60,340,000)	–	10.05.2022 – 09.05.2025
<b>Sub-total</b>			102,126,000	(36,820,000)	(65,306,000)	–	
<b>Directors</b>							
Li Jinglong (note (i))	18.05.2021	0.565	6,000,000	–	(6,000,000)	–	18.05.2021 – 17.05.2024
Zhang Ligong (note (i))	18.05.2021	0.565	6,000,000	–	(6,000,000)	–	18.05.2021 – 17.05.2024
<b>Sub-total</b>			12,000,000	–	(12,000,000)	–	
<b>Total</b>			114,126,000	(36,820,000)	(77,306,000)	–	
<b>Weighted average exercise price (HK\$)</b>			0.459	0.565	0.409	–	



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 36. SHARE-BASED PAYMENT RESERVE (CONTINUED)

(b) (Continued)

	Date of grant	Exercise price HK\$	Outstanding as at 1 January 2023	Lapsed	Forfeited	Outstanding as at 31 December 2023	Exercisable period
Employees							
	28.07.2017	0.995	4,966,000	–	–	4,966,000	28.07.2017 – 27.07.2027
	18.05.2021	0.565	36,820,000	–	–	36,820,000	18.05.2021 – 17.05.2024
	10.05.2022	0.330	60,340,000	–	–	60,340,000	10.05.2022 – 09.05.2025
Sub-total			102,126,000	–	–	102,126,000	
Directors							
Li Jinglong (note (i))	18.05.2021	0.565	6,000,000	–	–	6,000,000	18.05.2021 – 17.05.2024
Zhang Ligong (note (i))	18.05.2021	0.565	6,000,000	–	–	6,000,000	18.05.2021 – 17.05.2024
Wang Zhongling (note (ii))	18.05.2021	0.565	6,000,000	–	(6,000,000)	–	18.05.2021 – 17.05.2024
Sub-total			18,000,000	–	(6,000,000)	12,000,000	
Total			120,126,000	–	(6,000,000)	114,126,000	
Weighted average exercise price (HK\$)			0.465	–	0.565	0.459	

Notes:

(i) Removed as directors of the Company on 31 January 2024.

(ii) Resigned as director of the Company on 13 November 2023.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 36. SHARE-BASED PAYMENT RESERVE (CONTINUED)

- (c) As at 31 December 2024 and 2023, outstanding share options have the following remaining contractual lives and exercise prices:

Share Options granted on	2024		2023	
	Remaining contractual life	Number of options	Remaining contractual life	Number of options
28 July 2017	N/A	N/A	3.6 years	4,966,000
18 May 2021	N/A	N/A	0.4 year	48,820,000
10 May 2022	N/A	N/A	1.4 years	60,340,000

- (d) The fair value and the principal assumptions used in the fair value calculation of the share options at its respective grant dates are as follows:

	28 July 2017	18 May 2021	10 May 2022
Fair value of each share option at grant date	HK\$0.12	HK\$0.04	HK\$0.020
Share price of each share at grant date	HK\$0.199	HK\$0.113	HK\$0.066
Exercise price of each share option (before adjustment)	HK\$0.199	HK\$0.113	HK\$0.330
Expected volatility	99%	75%	75%
Option life	10 years	3 years	3 years
Expected dividend yield	—	—	—
Risk-free interest rate	1.52%	0.278%	2.546%

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

There was no market vesting condition or non-market performance condition associated with the options granted.

At 31 December 2023, the Company had 114,126,000 share options outstanding under the Option Scheme, which represented approximately 18.9% of the Company's shares in issue at that date.

At 31 December 2024, the Company had no share options outstanding under the Option Scheme.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

	Other borrowings HK\$'000	Bond payables HK\$'000	Bond interest payables included in accruals and other payables HK\$'000	Total HK\$'000
At 1 January 2023	–	14,515	1,956	16,471
Cash items:				
Proceeds from other borrowings	3,000	–	–	3,000
Non-cash items:				
Interest expenses	167	1,500	–	1,667
Transfer to bond interest payables	–	(1,500)	1,500	–
At 31 December 2023 and 1 January 2024	3,167	14,515	3,456	21,138
Non-cash items:				
Interest expenses	240	1,500	–	1,740
Transfer to bond interest payables	–	(1,500)	1,500	–
<b>At 31 December 2024</b>	<b>3,407</b>	<b>14,515</b>	<b>4,956</b>	<b>22,878</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 38. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme (“**the MPF scheme**”) under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately.

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The employees in the PRC are members of state-managed retirement benefit scheme operated by the PRC government. The Company’s subsidiaries operating in the PRC is required to contribute a certain percentage of payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the scheme is to make the required contribution under the scheme.

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under the MPF Scheme and the retirement benefit scheme in the PRC that might be used by the Group to reduce the existing level of contributions.

For the year ended 31 December 2024, the aggregate amount of the Group’s contributions to the aforementioned schemes was approximately HK\$45,000 (2023: HK\$50,000) which was included in the staff costs (note 9).



## Corporate Information

### DIRECTORS

#### Executive Directors:

Mr. Lin Chih Chia *(appointed on 31 January 2024)*  
Mr. Poon Chun Yin *(appointed on 31 January 2024 and 18 December 2024)*  
Mr. Li Jinglong *(removed on 31 January 2024)*  
Mr. Zhang Ligong *(removed on 31 January 2024)*

#### Independent Non-executive Directors:

Ms. Peng Jing Yi *(appointed on 31 January 2024)*  
Mr. Tse Tung Leung, Tony *(appointed on 31 January 2024)*  
Mr. Wong Sze Lok *(appointed on 29 February 2024)*  
Mr. Cheng Ruixiong *(removed on 31 January 2024)*

### COMPANY SECRETARY

Mr. Chan Kam Fuk

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7I, 24/F  
Wah Fat Industrial Building  
10-14 Kung Yip Street  
Kwai Chung, New Territories  
Hong Kong

### WEBSITE

[www.hklistco.com/802](http://www.hklistco.com/802)

### PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM11  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### BERMUDA LEGAL ADVISER

Conyers Dill & Pearman  
2901 One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### AUDITOR

McMillan Woods (Hong Kong) CPA Limited  
Certified Public Accountants  
and Public Interest Entity  
Auditor  
24/F., Siu On Centre  
188 Lockhart Road  
Wan Chai, Hong Kong

### PRINCIPAL BANKER

Chong Hing Bank Limited



**China e-Wallet Payment Group Limited**

中國錢包支付集團有限公司\*