CSTG

China Sci-Tech Industrial Investment Group Limited

中國科創產業投資集團有限公司

(formerly known as Core Economy Investment Group Limited
核心經濟投資集團有限公司)
(Continued into Bermuda with limited liability)
(Stock Code: 339)

2024
Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Bo *(Chairman)*
Mr. WANG Daming

Non-executive Directors

Mr. YANG Zhicheng *(Deputy Chairman)*
Mr. HE Yu
Ms. YAN Jia

Independent Non-executive Directors

Mr. CHEN Ming
Mr. MOK Ho Ming
Mr. WONG Yan Wai George

CHIEF EXECUTIVE OFFICER

Mr. ZHANG Yufei[1]

COMPANY SECRETARY

Ms. CHEUNG Hoi Ue

AUDITOR

LIF & Wong CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1805
18/F, Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

AUDIT COMMITTEE

Mr. MOK Ho Ming *(Chairman)*
Mr. CHEN Ming
Mr. WONG Yan Wai George

REMUNERATION COMMITTEE

Mr. WONG Yan Wai George *(Chairman)*
Mr. MOK Ho Ming
Mr. SUN Bo

NOMINATION COMMITTEE

Mr. SUN Bo *(Chairman)*
Mr. MOK Ho Ming
Mr. WONG Yan Wai George

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

STOCK CODE

339

WEBSITE

www.ceig.hk

[1] Resigned on 31 December 2024

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors", and each, a "Director"), I am pleased to present the annual report of China Sci-Tech Industrial Investment Group Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Appropriations

During the year, the Group recorded a revenue of approximately HK$83,000 (2023: Approximately HK$227,000), proceeds from disposals of listed equity securities of approximately HK$1,863,000 (2023: Approximately HK$6,259,000), loss attributable to owners of the Company approximately HK$8,054,000 (2023: Approximately HK$7,361,000) and basic loss per share of HK$0.028 (2023: HK$0.030). The Group did not record other income during the year (2023: Approximately HK$185,000). The revenue recorded in the year represented the dividend income from its investments in listed equity securities as well as bank and other interest income. The decrease in revenue was mainly attributable to decrease in dividend income from listed equity securities.

The Group's administrative and other operating expenses amounted to approximately HK$9,074,000 (2023: Approximately HK$8,348,000). The Group recorded a gain on net change in fair value of financial assets at fair value through profit or loss for the year of approximately HK$1,052,000 (2023: Approximately HK$661,000). The increase in net loss was mainly driven by (1) absence of other income during the year; (2) decrease in revenue; and (3) increase in administrative and other operating expenses.

Business Review

The Hong Kong stock market in 2024 demonstrated a strong recovery, reflecting renewed investor confidence and improved market conditions. The Hang Seng Index rose approximately 15% over the year, driven by a combination of favourable policy measures, increased capital inflows, and a revival in market activity. Key contributors to this rebound included a resurgence in IPO listings and enhanced participation from mainland investors, facilitated by expanded cross-border investment channels. Despite these positive developments, the market faced challenges such as currency volatility and broader global economic uncertainties, which tempered its overall performance.

Looking ahead to 2025, the Hong Kong stock market is expected to build on its recovery, supported by its strategic position as a global financial hub and gateway to mainland China. IPO activity is anticipated to remain robust, with a steady pipeline of new listings expected to attract investor interest. Additionally, the market is likely to benefit from growing demand for financial services and sustainable investment opportunities, aligning with global trends. Potential interest rate cuts by major central banks in the latter half of the year could further enhance liquidity and boost investor sentiment.

Chairman's Statement

However, the outlook is not without risks. Geopolitical tensions, particularly between major global powers, remain a significant concern, as do potential regulatory changes that could impact cross-border capital flows. A slowdown in global economic growth or heightened financial market volatility could also pose challenges to the market's performance.

In conclusion, the Hong Kong stock market enters 2025 with a solid foundation and promising prospects. While opportunities for growth are evident, investors are advised to remain cautious and attentive to evolving geopolitical and macroeconomic conditions. By adopting a balanced and strategic approach, investors can navigate the market's complexities and capitalize on its potential while managing risks effectively.

During the year, the Company continued its investments in listed equity securities. As at 31 December 2024, the Company's investment portfolio was diversified across different business sectors included but not limited to internet and technology, investment, property and resort management. The Group's portfolio of listed securities, which are also referred as financial assets, as at 31 December 2024 consisted of Alibaba Group Holding Limited, Tencent Holdings Limited, DT Capital Limited and New Silkroad Culturaltainment Limited. At the end of the reporting period, the Company's investment performances showed the net realised loss of approximately HK$1,361,000 (2023: Approximately HK$3,803,000) from the disposal of listed securities. Additionally, there were net unrealised gains of approximately HK$2,413,000 (2023: Approximately HK$4,464,000) on listed securities. These results reflect the Company's investment activities and highlight the fluctuations in the performance of its listed securities during the reporting period.

The performance and prospect analysis of these investees have been set out as per below.

Alibaba Group Holding Limited – Bloomberg stock code: 9988:HK
Alibaba Group Holding Limited ("Alibaba"), is a multinational conglomerate specializing in e-commerce, retail, and technology. Based on the quarterly results announcement for the three months ended 31 December 2024, Alibaba reported an 8% year-over-year revenue increase to approximately RMB280 billion, with income from operations rising by 4% year-over-year to approximately RMB55 Billion. Alibaba aims to enhance user experience and drive growth in its cloud service business, particularly through AI products. Future initiatives include strengthening the premium customer segment by expanding the VIP membership program and optimizing the balance sheet via asset sales and share buybacks. Alibaba remains dedicated to sustainable growth through innovation and operational efficiency.

Tencent Holdings Limited – Bloomberg stock code: 700:HK
Tencent Holdings Limited ("Tencent") and its subsidiaries provide social networking, music, web portals, e-commerce, mobile games, internet services, payment systems, entertainment, artificial intelligence, and technology solutions to customers globally. Based on the annual results announcement for the year ended 31 December 2024 of Tencent, Tencent reported an 8% year-on-year revenue increase to approximately RMB660 billion, significantly supported by a 20% rise in its marketing services segment that is driven by robust advertiser demand. Gross profit rose by 19% to approximately RMB349 billion, reflecting strong performance in high-margin areas such as gaming and AI-enhanced advertising. Moving forward, Tencent intends to invest in AI-driven product innovation and research to enhance productivity and improve user engagement across its platforms.

Chairman's Statement

DT Capital Limited – Bloomberg stock code: 356:HK
DT Capital Limited ("DT Capital") is an investment company and trading of securities. The investment objective of the company is to achieve earnings in the form of short to medium term capital appreciation mainly through investments in a diversified portfolio of listed and unlisted companies in Hong Kong and China. Based on the annual results announcement for the year ended 31 December 2024, DT Capital reported a loss of approximately HK$12 million during the year, improving from a loss of approximately HK$28 million in 2023. Revenue remained stable at approximately HK$2.2 million, bolstered by increased gross proceeds from the disposal of listed investments. The management of DT Capital will adapt its investment strategy to current market conditions while pursuing growth opportunities across various sectors.

New Silkroad Culturaltainment Limited – Bloomberg stock code: 472:HK
New Silkroad Culturaltainment Limited ("New Silkroad") is principally engaged in real estate development and property management; cultural tourism and production and distribution of renowned brands of wine in China. Based on the annual results announcement for the year ended 31 December 2024 announcement, the revenue and gross profit of New Silkroad reported a 28.1% and 62.8% increase respectively which are mainly driven by acquiring the property management business. However, it faced a loss of approximately HK$227.6 million after tax, primarily due to discontinued operations and impairment loss recognised for property project in South Korea. The management of New Silkroad plans to strengthen integrated resort and cultural tourism operations while focusing on efficient property management and seek new opportunities to improve financial performance and mitigate future losses.

A brief description of the business and financial information of the above listed investee companies based on their published results announcements, annual and interim reports have been set out in note 20 of the consolidated financial statements.

Chairman's Statement

Liquidity, Financial Resources and Funding

The Group mainly relies upon shareholders' funds, loans from directors, funds from placing of shares and cash generated from its business operations to finance its operation and expansion. The Group managed the cash and cash equivalents principally based on making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for the working capital requirements. Cash and cash equivalents stood at HK$354,521 as at 31 December 2024 (2023: HK$7,021,796). As at 31 December 2024, the consolidated net liability value of the Group was HK$742,061 (2023: net asset value of HK$7,309,950) with consolidated net liability value per share of approximately HK$0.0026 (2023: net asset value per share of approximately HK$0.0254).

The Group's accruals and other payables amounted to HK$3,127,679 as at 31 December 2024 (2023: HK$3,365,146), a lease liability amounted to HK$2,250,164 as at 31 December 2024 (2023: HK$25,885) and a provision amounted to HK$300,000 as at 31 December 2024 (2023: HK$300,000). The Group has recognised a right-of-use asset and a lease liability for the office property lease contract. The gearing ratio of the Group, calculated on the basis of the Group's total liabilities over total assets, was approximately 1.09 as at 31 December 2024 (2023: Approximately 0.48).

The Group had non-interest-bearing loans from two Directors of HK$3,600,000 as at 31 December 2024 (2023: HK$3,000,000 from one Director). The loans, originally due for repayment on 30 June 2025, were waived by the two Directors on 21 February 2025. Details of the loans from Directors are disclosed in the section "Loans from Directors" below.

Loans from Directors

The Company has entered into several loan agreements with directors and shareholders, please refer to details as follows:

Loan	Lender	Date	Principal amount	Interest	Original repayment date	Purpose of usage	Utilisation of fund
A	Mr. SUN Bo, an executive Director and one of the shareholders of the Company ("Mr. SUN")	8 June 2022	HK$500,000	Non-interest bearing	9 December 2022	To support daily operation of the Group	Fully utilised as working capital of the Group by 31 December 2022
B	Mr. SUN	24 June 2022	HK$1,000,000	Non-interest bearing	26 December 2022	To support daily operation of the Group	Fully utilised as working capital of the Group by 30 June 2023
C	Mr. SUN	11 November 2022	HK$1,500,000	Non-interest bearing	10 May 2023	To support daily operation of the Group	Fully utilised as working capital of the Group by 30 June 2023
D	Mr. SUN	26 November 2024	HK$300,000	Non-interest bearing	30 June 2025	To support daily operation of the Group	Fully utilised as working capital of the Group by 31 December 2024
E	Mr. YANG Zhicheng, a non-executive Director and one of the shareholders of the Company ("Mr. YANG")	31 December 2024	HK$300,000	Non-interest bearing	30 June 2025	To support daily operation of the Group	Not yet utilised and expected to be fully utilised by 30 June 2025 as working capital of the Group

Chairman's Statement

Loan extension summary

The Company has entered into several loan extension agreements to further extended the repayment date, details have been set out as follows:

Loan extension Agreement	Date	Loan	Lender	Principal amount (in total)	New repayment date
i	7 December 2022	Loan A	Mr. SUN	HK$500,000	9 December 2023
ii	23 December 2022	Loan B	Mr. SUN	HK$1,000,000	23 December 2023
iii	28 April 2023	Loan A, Loan B and Loan C	Mr. SUN	HK$3,000,000	31 December 2023
iv	21 December 2023	Loan A, Loan B and Loan C	Mr. SUN	HK$3,000,000	30 June 2024
v	26 June 2024	Loan A, Loan B and Loan C	Mr. SUN	HK$3,000,000	31 December 2024
vi	19 December 2024	Loan A, Loan B and Loan C	Mr. SUN	HK$3,000,000	30 June 2025

In February 2025, Mr. SUN and Mr. YANG agreed to waive the settlement of their directors' loans as at 31 December 2024 of HK$3,300,000 and HK$300,000 respectively.

Placement of Shares

On 24 November 2023, an aggregate of 47,520,000 new ordinary shares (the "Placing Shares") of nominal value of HK$0.02 each in the share capital of the Company (the "Shares") have been successfully placed under the general mandate by the placing agent to not less than six placees at the placing price (the "Placing Price") of HK$0.15 per Placing Share pursuant to the terms and conditions of the placing agreement (the "Placing Agreement") dated 7 November 2023. The Board considers that the placing of shares represents a good opportunity for the Company to raise additional funds as general working capital of the Company and, with additional funds, the Company will also be equipped to capture suitable investment opportunities in a timely manner and the terms of the Placing Agreement are on normal commercial terms.

The Placing Price of HK$0.15 per Placing Share represents: (i) a discount of approximately 14.77% to the closing price of HK$0.176 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 7 November 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 11.24% to the average closing price of HK$0.169 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The aggregate of 47,520,000 new shares of the Company represents 19.76% of issued share capital of the Company immediately before the completion of the placing and approximately 16.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Details of the placing of shares were set out in the Company's announcements dated 7 November 2023 and 24 November 2023 respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the placee and its ultimate beneficial owner(s) are independent third parties and not connected with the Company and its connected person as at the date of completion.

Chairman's Statement

The gross and net proceeds were approximately HK$7.13 million and HK$7.02 million respectively. The net placing price per Placing Share was approximately HK$0.148. Of the net proceeds, the Company intends to use (i) approximately HK$3.51 million for future investment and business development (the "Investment Proceeds"); and (ii) approximately HK$3.50 million as general working capital of the Company (the "General Working Capital Proceeds"). On 8 March 2024, the Company has reallocated the entire Investment Proceeds to the General Working Capital Proceeds in order to meet the operating expense of the Group. Further details have been set out in the announcement of the Company dated 8 March 2024. The net proceeds has been fully utilised as of 31 December 2024.

Saved as per above, during the year, the Company did not carry out any fund raising activities.

Change of Company Name

Pursuant to a special resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 28 May 2024, the English name of the Company has been changed from "Core Economy Investment Group Limited" to "China Sci-Tech Industrial Investment Group Limited" and its Chinese name from "核心經濟投資集團有限公司" to "中國科創產業投資集團有限公司".

The Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 3 July 2024 and 20 June 2024 respectively certifying that the Company has changed its name to "China Sci-Tech Industrial Investment Group Limited" and "中國科創產業投資集團有限公司" has been adopted as the secondary name of the Company to replace its existing Chinese secondary name of "核心經濟投資集團有限公司" on 19 June 2024.

The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 16 July 2024 confirming the registration of the new English and Chinese name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Change of Hong Kong Branch Share Registrar and Transfer Office

The Company's branch share registrar and transfer office in Hong Kong has changed to Tricor Investor Services Limited with effect from 2 December 2024. Please refer to the announcement of the Company dated 1 November 2024 for details.

Capital Structure

Save as disclosed above in the section headed "Liquidity, Financial Resources and Funding", there was no any other material change on Company's overall share structure for the year ended 31 December 2024. The capital of the Company comprises only ordinary shares as at 31 December 2024 and 2023.

Capital Expenditures

The Group's capital expenditures primarily consisted of expenditures on acquisition of computer equipment, furniture and fixtures, motor vehicle, office equipment and leasehold improvement. For the year ended 31 December 2024, the Group incurred capital expenditure in the amount of HK$20,579 (2023: Nil).

Chairman's Statement

Capital Commitments

As at 31 December 2024, the Group did not have any significant capital commitments (2023: Nil).

Foreign Exchange Exposure

The Board believes that the Group has certain exposure to foreign exchange risk as some of the business transactions of the Group are denominated in Renminbi and United States dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor the foreign currency exposure closely.

Environmental, Social and Corporate Responsibility

The Company is committed to maintain environmental and social standard to ensure business development and sustainability. We take steps to reduce our consumption of energy and natural resources, e.g. advocate paperless office to reduce the consumption of paper, turn off computers, printers and lighting immediately after use; and use environmentally friendly products and certified materials whenever possible.

The Company has complied with all relevant laws and regulations which include the Bermuda Companies Act and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and maintained good relationship with its employees and investors.

Employees and Remuneration Policies

As at 31 December 2024, the Group has employed a total of 10 employees (2023: 12) including the Directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance and other benefits considered as appropriate. Remuneration packages are generally structured by reference to the prevailing market conditions, individual qualification and performance. They are under periodic review based on individual merit and other market factors. The total staff costs for the year ended 31 December 2024 amounted to HK$4,521,000 (2023: HK$4,918,646). As of 31 December 2024 and the date of this annual report, the Group has maintained good working relationships with its employees.

Community Relationship

For the year ended 31 December 2024, the Group did not run into any disputes and conflicts with its surrounding communities.

Charges on the Group's Assets

As at 31 December 2024, there were no charges on the Group's assets (2023: Nil).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2024 (2023: Nil).

Chairman's Statement

Significant Investment Held

Save as disclosed above, the Group had no other significant investment held with a value of 5% or more of the Company's total assets as at 31 December 2024.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the reporting period.

Future Plans Relating to Material Investment or Capital Asset

The Group had not executed any agreement in respect of material investment or capital asset and did not have any further plans relating to material investment or capital asset as at the date of this annual report. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

Prospects

Having mentioned in "Business Review" section, the market is experiencing a tumultuous in short run. The Group expect the global economy will be full of challenge in future. The management of the Group will adopt a conservative approach in managing the existing investments in accordance with the Group's investment objectives and policies. On the other hand, the Group will continue to seek and evaluate good investment opportunities to enrich the investment portfolios, aiming to maximise the return for the shareholders of the Company.

Appreciation

On behalf of the Board, I would like to thank all our shareholders for their continued trust and support, together with our management and staff members for their dedicated efforts.

SUN Bo
Chairman

Hong Kong, 31 March 2025

Biographical Details of Directors and Senior Management

Executive Directors

Mr. SUN Bo, aged 43, was appointed as the Non-executive Director on 14 March 2016 and re-designated as the Executive Director on 20 March 2018. He was appointed as the chairman of the Board, the chairman of the nomination committee of the Company (the "Nomination Committee") and a member of the remuneration committee of the Company (the "Remuneration Committee") on 26 May 2017. Mr. SUN currently acts as a director of CEIG Management Limited, a subsidiary of the Company. He obtained a Master Degree in Business Administration from the American National University in 2005. He also obtained a post graduate diploma in Business Administration from the Society of Business Practitioners in England (the "SBP") in 2017 and certified as the Honorable Fellow of the SBP. Mr. SUN has extensive experience in finance and real estate development and management in the People's Republic of China (the "PRC"). Mr. SUN is a cousin of Mr. ZHANG Yufei. For Mr. SUN's interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as at the date of this annual report, please refer to the section headed "Report of the Directors" in this report.

Mr. WANG Daming, aged 64, was appointed as the Executive Director on 17 May 2002. Mr. WANG holds a Bachelor's Degree in Economics from the PRC and has extensive experience in finance. He currently holds various director position for several fund management companies in the PRC, including China Venture Capital Co., Ltd. and CVIT (Beijing) Capital Management Co., Ltd.. He also provides advice on economic matters to government bureaux and departments in different cities including Beijing and acts as guest professors for a number of higher education institutes in the PRC. Mr. WANG was qualified as Assistant Economist of the PRC in 1987, and then as Economist and Senior Economist in 1990 and 1996 respectively.

Non-executive Directors

Mr. YANG Zhicheng, formally known as YANG Zhichun*, aged 41, was appointed as the Non-executive Director and the deputy chairman of the Board on 19 October 2023. Mr. YANG was educated and holds a diploma of Financial Management from The Open University of China in the PRC. He currently is a merchant and has around five years experiences in business management. He was a chief strategy officer of Zhongchan Huijin Investment Holding (Shenzhen) Group Limited*（中產匯金投資控股（深圳）集團有限公司）from 2019 to 2022. Mr. YANG is a director of Zhongjin Technology Industrial Co., Limited, a company which was interested in the shares of the Company as at the date of this annual report, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. HE Yu, aged 44, was appointed as the Non-executive Director on 21 March 2019. Mr. HE obtained a Master of Science Degree in Software Engineering from the University of Bradford in 2005. He currently is the partner of London And Oxford Capital Markets Limited, a company incorporated in the United Kingdom of Greater Britain and Northern Ireland (the "UK"), which is authorised and regulated by Financial Conduct Authority in the UK. He has extensive experience in asset management, project management and corporate advisory in the UK.

Ms. YAN Jia, aged 46, was appointed as the Non-executive Director on 12 May 2023. Ms. YAN holds a degree of Master of Commerce in Professional Accounting from the University of New South Wales. Ms. YAN is a member of Chartered Accountants Australia and New Zealand, a fellow member of CPA Australia, a registered tax agent in Australia and a registered Justice of Peace in Australia. She has over 20 years of working experience in the field of business and tax advisory. Ms. YAN currently is a tax partner and a director of YML Group, an integrated professional services firm which offers a range of financial services from accounting, finance, business services and legal to financial planning and superannuation solutions in Australia.

* For identification purpose only

Biographical Details of Directors and Senior Management

Independent Non-executive Directors

Mr. CHEN Ming, aged 42, was appointed as the Independent Non-executive Director on 31 May 2017 and a member of the audit committee of the Company (the "Audit Committee"). Mr. CHEN holds a master degree of Business Administration from The Chinese University of Hong Kong and a bachelor degree of Law from Shenzhen University in the PRC. He has been qualified as a lawyer in the PRC since 2010. Mr. CHEN has been the legal advisor of several conglomerates and financial institutions. He has extensive experience in corporate financing and legal fields in the PRC.

Mr. MOK Ho Ming, aged 50, was appointed as the Independent Non-executive Director and a member of each of the Audit Committee and the Remuneration Committee on 22 November 2016. Mr. MOK was further appointed as the chairman of the Audit Committee and a member of the Nomination Committee on 26 May 2017. Mr. MOK obtained a master degree in professional accounting from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of International Accountants. Mr. MOK has over 20 years of experience in accounting, taxation, auditing and corporate finance.

Mr. WONG Yan Wai George, aged 40, was appointed as the Independent Non-executive Director on 11 April 2017. Mr. WONG was appointed as a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee on 26 May 2017. He was further appointed as the chairman of the Remuneration Committee on 31 May 2017. Mr. WONG obtained his bachelor degree of Science in Business Management from King's College London, University of London in 2006. He has extensive experience in business and general corporate management field. From November 2009 to March 2016, Mr. WONG was the substantial shareholder and the director of a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out in Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities under the SFO. Since 2008, he has served as the managing director for King Wealth Group Limited involving in the setup, management and maintenance of a paid subscription-based online portal, www.wongsir.com.hk, providing in-depth financial analysis and audio programmes to its subscribers. Mr. WONG has been the managing director of China Tonghai Financial Media Limited, a subsidiary of China Tonghai International Financial Limited whose shares are listed on the Stock Exchange from July 2018 to March 2020 (stock code: 952). He also holds several positions in various charitable organisations and associations including the director of the Elderly HealthCare Foundation Limited and the Charter President of Rotary Club of Golden Bauhinia Hong Kong.

Chief Executive Officer

Mr. ZHANG Yufei, aged 40, was appointed as the Chief Executive Officer of the Company on 28 July 2016. Mr. ZHANG graduated from Shanghai University of Finance and Economics with major in insurance studies and obtained a bachelor's degree in economics. He is an associate of the Life Management Institute and an SAC qualified practitioner. Mr. ZHANG has accumulated over 8 years of experience in the banking industries in the PRC. Mr. ZHANG is a cousin of Mr. SUN Bo. Mr. ZHANG has resigned as the chief executive officer of the Company with effect from 31 December 2024. He will remain as a director of certain of the Company's subsidiaries. Mr. ZHANG currently acts as a director of the following subsidiaries, namely, CEIG One Limited, CEIG Two Limited and Hong Kong CEIG One Limited.

Chief Financial Officer and Company Secretary

Ms. CHEUNG Hoi Ue, aged 40, joined the Company as the financial controller on 5 October 2016 and was further appointed as the Chief Financial Officer on 1 January 2020. She is also the Company Secretary, one of the Authorised Representatives and Service Agent of the Company. Ms. CHEUNG holds a Master Degree of Corporate Governance from The Hong Kong Polytechnic University. She is a member of the Hong Kong Institute of Certified Public Accountants, the CPA Australia, The Hong Kong Chartered Governance Institute as well as The Chartered Governance Institute. Ms. CHEUNG has over 10 years of experience in accounting, taxation, auditing, corporate governance and corporate finance.

Report of the Directors

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITY AND ANALYSIS OF OPERATIONS

The Company acts as an investment company engaged principally in investment and trading of listed and unlisted securities. Details of principal activities of the subsidiaries of the Company are set out in note 33 to the consolidated financial statements. The investment objective is to achieve earnings in the form of capital appreciation as well as income from interest and dividends mainly through investment in a diversified portfolio of listed and unlisted companies, in Hong Kong or China or any other countries that such investment is considered profitable.

No analysis of the Group's performance by operating segment is presented as all of the turnover, revenue and contribution to operating results of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

BUSINESS REVIEW

A fair review of the business of the Company as well as a discussion and analysis of the Group's performance during the year as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong), including an analysis using financial key performance indicators, a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "MANAGEMENT DISCUSSION AND ANALYSIS" under Chairman's Statement, "INTERNAL CONTROLS AND RISK MANAGEMENT" under Corporate Governance Report and note 6 of the consolidated financial statements respectively. These discussions form part of this Directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for the Group's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. Detailed information on the ESG practices adopted by the Group is set out in the sections headed "Environmental, Social and Governance Report" of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with relevant laws and regulations that have a significant impact on the business and operation of the Group. For the year ended 31 December 2024, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Directors are of view that maintaining a good working relationship with its employees, suppliers and other stakeholders are the keys to the sustainable development of the Group. During the year, there was no significant dispute between the Group and its employees, suppliers and other stakeholders.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's revenue is derived from its investments in listed equity securities and the disclosure of information regarding customers and suppliers would not be meaningful.

Report of the Directors

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 90.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2024 (2023: Nil).

DISTRIBUTABLE RESERVES

During the year, the changes of distributable reserves are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Changes in Equity.

At 31 December 2024, the reserves available for distribution to shareholders pursuant to the Bermuda Companies Act 1981 amounted to Nil (2023: Nil).

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 24 to the consolidated financial statements. The Group and the Company held no treasury shares (as defined in Rule 1.01 of the Listing Rules) as at 31 December 2024.

FIVE YEAR FINANCIAL SUMMARY

The following is a summary of the results and of the assets and liabilities of the Group for the last five financial years:

Results

	Year ended 31 December				
	2024 **HK$**	2023 HK$	2022 HK$	2021 HK$	2020 HK$
Turnover	**1,945,957**	6,485,703	15,724,250	44,394,813	40,935,914
Loss before tax	**(8,054,095)**	(7,360,719)	(11,797,983)	(14,991,938)	(9,090,504)
Income tax	**–**	–	–	–	–
Loss for the year attributable to owners of the Company	**(8,054,095)**	(7,360,719)	(11,797,983)	(14,991,938)	(9,090,504)

Assets and liabilities

	As at 31 December				
	2024 **HK$**	2023 HK$	2022 HK$	2021 HK$	2020 HK$
Total assets	**8,535,782**	14,000,981	14,026,059	22,756,774	27,732,001
Total liabilities	**(9,277,843)**	(6,691,031)	(6,375,375)	(3,307,438)	(750,061)
Total (deficits)/equity	**(742,061)**	7,309,950	7,650,684	19,449,336	26,981,940

Report of the Directors

SHARES ISSUED DURING THE YEAR

During the year, the Company did not issue any shares.

SHARE OPTION SCHEME

At the special general meeting of the Company held on 16 May 2016, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme") under which the Directors of the Company may grant options to eligible persons ("Eligible Person(s)") to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the Share Option Scheme will remain valid for a period of 10 years from the date of its adoption. The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules.

The Share Option Scheme was adopted on 16 May 2016, details are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to participants.

(ii) Eligible Person

(a) Any executive, i.e. any person who is a full-time or part-time employee or a Director (including executive and non-executive directors) of the Company or any of its subsidiaries at the offer date.

(b) Any non-executive as approved by the Board.

(iii) The total number of shares available for issue under the Share Option Scheme and the percentage of the issued share capital that it represents as at the date of the annual report

(a) The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 11,600,000 shares, representing approximately 4.03% of the issued share capital as at 31 December 2024.

(b) The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time.

Report of the Directors

SHARE OPTION SCHEME (Continued)

(iv) Maximum entitlement of each Eligible Person

The maximum number of shares issued and to be issued upon the exercise of options granted to each Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting of the Company.

(v) Timing for exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Directors to each option holder but may not be exercised after the expiry of 10 years from the offer date. The Directors may provide restrictions on the exercise of an option during the period and option may be exercised as a result.

(vi) The minimum period for which an option must be held before it can be exercised

Pursuant to the Share Option Scheme, the Directors have discretion to set a minimum period for which an option has to be held before the exercise of the subscription rights attaching thereto.

(vii) Basis for determination of option price

The option price per share in relation to an option shall be a price to be determined by the Directors and shall be no less than the highest of:

(a) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date on which the option is offered to an Eligible Person, which must be a business day;

(b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; or

(c) the nominal value of the shares on the offer date.

(viii) Life of the scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on 16 May 2016, which was the date of adoption of the Share Option Scheme.

During the year, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme and there was no outstanding option as at 31 December 2024.

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders under the Company's Bye-Laws and there is no restriction against such rights under the laws of Bermuda.

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Mr. SUN Bo *(Chairman)*
Mr. WANG Daming

Non-executive Directors

Mr. YANG Zhicheng *(Deputy Chairman)*
Mr. HE Yu
Ms. YAN Jia

Independent Non-executive Directors

Mr. CHEN Ming
Mr. MOK Ho Ming
Mr. WONG Yan Wai George

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 11 to 12.

OTHER INFORMATION

Change of Directors and chief executives and change of information of Directors and chief executives

Mr. ZHANG Yufei ("Mr. ZHANG") has resigned as the chief executive officer of the Company with effect from 31 December 2024. Mr. ZHANG will remain as a director of certain of the Company's subsidiaries. The details has been set out in the announcement of the Company dated 27 December 2024.

Report of the Directors

In respect of the change in emoluments of Directors and chief executive of the Company, please refer to note 15 to the consolidated financial statements.

Save as disclosed above, there is no other change in the Directors' and chief executives' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION POLICY

The remuneration policy for the employees of the Company is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The remuneration of the Directors and senior management of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year. The Company has taken out and maintained directors' liability insurance that provides appropriate cover for the Directors.

INDEPENDENCE CONFIRMATION

The Company has received annual confirmation from each of the Independent Non-executive Directors as regards their independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company considers that each of the Independent Non-executive Directors is independent to the Company.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company and any of its subsidiaries was a party and in which any Director of the Company or an entity connected with a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2024 and up to the date of this annual report, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in any business which were in competition or were likely to compete, either directly or indirectly, with the Company's business which needs to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31 December 2024, so far as the Directors are aware, the interests and/or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company, its specified undertaking or any of other 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules or Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), were as follows:

Name of Directors or chief executives	Capacity	Long/Short position	Number of shares held	Approximate percentage of the issued share capital as at 31 December 2024[2]
Mr. YANG Zhicheng[1]	Interest of controlled corporation	Long position	42,160,000	14.64%
Mr. SUN Bo	Beneficial owner	Long position	14,275,000	4.96%

Note:

1. These shares were held by Zhongjin Technology Industrial Co., Limited, which was solely and wholly owned by Mr. YANG Zhicheng, who is a non-executive Director and deputy chairman of the Board of the Company. By virtue of the SFO, Mr. YANG Zhicheng is deemed to be interested in the 42,160,000 shares of the Company.

2. The percentage was calculated based on 288,000,000 Shares in issued as at 31 December 2024. The Company held no treasury shares as at 31 December 2024.

Save as disclosed above, at no time during the year, the Directors and chief executives of the Company had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or any associated corporations required to be disclosed pursuant to the SFO.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to hold any interests or short positions in shares or underlying shares in, or debentures of, the Company or any associated corporation.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, as far as the Directors are aware, the Company had been notified of the following substantial shareholders' interests or short positions in the shares and underlying shares of the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register of substantial shareholders maintained by the Company under Section 336 of Part XV of the SFO:

Name of substantial shareholders	Capacity	Long/Short position	Number of shares held	Approximate percentage of the issued share capital as at 31 December 2024[6]
Zhongjin Technology Industrial Co., Limited[1]	Beneficial Owner	Long position	42,160,000	14.64%
HK Jin Tai Feng Group Limited[2]	Beneficial Owner	Long position	37,720,000	13.10%
Zhongqing Keji Shiye Development Limited*（中擘科技實業發展有限公司）[2]	Interest of controlled corporation	Long position	37,720,000	13.10%
Ms. LIU Li[2]	Interest of controlled corporation	Long position	37,720,000	13.10%
World Century Holding Group Co., Limited[3]	Beneficial owner	Long position	31,600,000	10.97%
Ms. ZHU Wenjuan[3]	Interest of controlled corporation	Long position	31,600,000	10.97%
Master Star Holding Group Co. Limited[4]	Beneficial owner	Long position	27,580,000	9.58%
Ms. LIU Sihan[4]	Interest of controlled corporation	Long position	27,580,000	9.58%
China High Tech Electronic Technology Limited[5]	Beneficial owner	Long position	17,400,000	6.04%
Ms. WANG Xuebo[5]	Interest of controlled corporation	Long position	17,400,000	6.04%

Notes:

1. Based on the disclosure of interests form submitted by this substantial shareholder, these shares were held by Zhongjin Technology Industrial Co., Limited, which was solely and wholly owned by Mr. YANG Zhicheng, who is a non-executive Director and deputy chairman of the Board of the Company. By virtue of the SFO, Mr. YANG Zhicheng is deemed to be interested in the 42,160,000 shares of the Company.

2. Based on the disclosure of interests form submitted by this substantial shareholder, these shares were held by HK Jin Tai Feng Group Limited. Ms. LIU Li holds 99% of Zhongqing Keji Shiye Development Limited*（中擘科技實業發展有限公司）which holds 80% of HK Jin Tai Feng Group Limited, which holds 37,720,000 shares of the Company. By virtue of the SFO, Ms. LIU Li is deemed to be interested in the 37,720,000 shares held by HK Jin Tai Feng Group Limited, representing 13.10% of the entire issued share capital of the Company.

* For identification purpose only

Report of the Directors

3. Based on the disclosure of interests form submitted by this substantial shareholder, these shares were held by World Century Holding Group Co., Limited, which was solely and wholly owned by Ms. ZHU Wenjuan. By virtue of the SFO, Ms. ZHU Wenjuan is deemed to be interested in the 31,600,000 shares of the Company.

4. Based on the disclosure of interests form submitted by this substantial shareholder, these shares were held by Master Star Holding Group Co. Limited, which was solely and wholly owned by Ms. LIU Sihan. By virtue of the SFO, Ms. LIU Sihan is deemed to be interested in the 27,580,000 shares of the Company.

5. Based on the disclosure of interests form submitted by this substantial shareholder, these shares were held by China High Tech Electronic Technology Limited, which was solely and wholly owned by Ms. WANG Xuebo. By virtue of the SFO, Ms. WANG Xuebo is deemed to be interested in the 17,400,000 shares of the Company.

6. The percentage was calculated based on 288,000,000 issued share capital of the Company as at 31 December 2024. The Company held no treasury share as at 31 December 2024.

Save as disclosed above, as far as the Directors are aware, no other person had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register of substantial shareholders required to be kept by the Company pursuant to section 336 of Part XV of the SFO as at 31 December 2024.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION" and the "SHARE OPTION SCHEME" above in this annual report, at no time during the year was the Company, a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the reporting period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Save as disclosed in note 21 to the consolidated financial statements of this annual report, the Company had no connected transactions or continuing connected transactions which requires compliance with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules during the year ended 31 December 2024.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 December 2024 are disclosed in note 31 to the consolidated financial statements. They did not constitute connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Report of the Directors

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this annual report, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the reporting period.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holdings in the shares.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 32 to the consolidated financial statements.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by LIF & Wong CPA Limited who will retire at the forthcoming annual general meeting and being eligible, offers itself for re-appointment. A resolution to re-appoint LIF & Wong CPA Limited as the auditor of the Company and to authorise the Directors to fix its remuneration will be proposed to the shareholders for approval at the forthcoming annual general meeting.

Reference is made to the announcement of the Company dated 15 July 2022. BDO Limited (“BDO”) has resigned as the auditor of the Company with effect from 15 July 2022. LIF & Wong CPA Limited had been appointed as the auditor of the Company to fill the casual vacancy following the resignation of BDO with effect from 15 July 2022. Save as disclosed above, there has been no other change of auditors for the preceding three years.

On behalf of the Board

Mr. SUN Bo
Chairman

Hong Kong, 31 March 2025

Corporate Governance Report

The Board has always valued transparency and accountability as the key for achieving a high standard of corporate governance. The Company has adopted and complied with the code provisions set out in the section headed "Part 1 – Mandatory disclosure requirements" and the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" under the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Listing Rules.

THE BOARD

The Company understands that a corporate culture that clearly aligns with a company's purpose and strategy enables and accelerates that strategy. It is important for the Board to understanding about the Company's culture. It is the Board's role to determine the purpose of the Company and to ensure that the Company's values, strategy and business model are aligned to its purpose. Boards should discuss how the current incentive structures might impact behaviors and what changes might be required to align incentives to the desired behaviors.

As at 31 December 2024, the Board comprises two Executive Directors, three Non-executive Directors and three Independent Non-executive Directors ("INEDs"). The List of Directors and the brief biographical details of the Directors are set out in the "Corporate Information" and "Biographical Details of Directors and Senior Management" section on pages 11 to 12. The updated list of Directors and their role and function are published on the Company's and the Stock Exchange's websites. More than one-third of the Directors is INEDs and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. Save as disclosed above, the Directors or any senior management of the Company do not have any the relationships (including financial, business, family or other material/relevant relationships) with other Directors or any senior management of the Company.

Biographical details of the Directors as at the date of this report are set out in the section headed 'Biographical Details of Directors and Senior Management' of this annual report. Given the composition of the Board and the skills, knowledge and expertise of the Directors, the Board believes that it is appropriately structured to provide sufficient checks and balances to protect the interest of the Group and the shareholders. The Board will review its composition regularly to ensure that it has the appropriate balance of expertise, skills and experience to continue to effectively oversee the business of the Company.

The Board is responsible for the management of and formulation in the Group's overall investment strategies and guidelines in accordance with the investment objective and policies of the Group. The Board is also responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code which included developing and reviewing the Company's policies and practices and corporate governance, reviewing and monitoring the training and continuous professional development of Directors, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosure in this report.

The Board has effectively overseen and monitored the business activities, operational and financial performance of the Group, ensured a proper internal control system is in place to enable risks to be assessed and managed and the decisions were made in the best interests of the Company.

The Directors have been informed of the Company's investment objectives and investment making procedures. Following the expiration of investment management agreement with China Everbright Securities (HK) Limited on 11 May 2020, the Board makes investment decision according to the Company's investment objectives and the advice of the independent professionals when necessary.

Corporate Governance Report

The valuation reports as well as monthly management accounts and updates have been circulated to all Directors, and Directors will follow up any issues that come to their attention immediately. All Directors have access to board papers and related materials which are provided on a timely manner.

The Company has acquired appropriate insurance cover for all Directors.

The Directors are continually updated with the regulatory requirements, business activities and development of the Group to facilitate the discharge of their responsibilities. Through regular board meetings, all Directors are kept abreast of the conduct, business activities and development of the Company. All Directors were encouraged to participate in appropriate continuous professional development and refresh their knowledge and skills during the year for ensuring their contribution to the Board remains informed and relevant. Such professional development could be completed either by way of attending briefings, conference, courses, forum and seminars, teaching, self-reading and participated in business-related research which are relevant to the business or directors duties. During the year, all Directors had participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Group's business or to the Directors' duties and responsibilities.

BOARD INDEPENDENCE

The Board has established mechanisms to ensure independent views are available to the Board. The summary of the mechanisms is set out below:

(i) Composition

The Board ensures the appointment of at least three INEDs and at least one-third of its members being INEDs (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, INEDs will be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of INEDs, and is mandated to assess annually the independence of INEDs to ensure that they can continually exercise independent judgement.

(iii) Compensation

No equity-based remuneration with performance-related elements will be granted to INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

Corporate Governance Report

(iv) Board Decision Making

Directors (including INEDs) are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense.

A Director (including INEDs) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of INEDs as mentioned in item (i) above. The Board has reviewed the implementation and effectiveness of such mechanisms during the year.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer of the Company has been held by Mr. SUN Bo and Mr. ZHANG Yufei ("Mr. ZHANG") respectively during the year.

Mr. SUN Bo, the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that all significant policy issues are discussed by the Board in a timely and constructive manner and the Directors receive accurate, timely and clear information.

Mr. ZHANG Yufei, the Chief Executive Officer of the Company, is responsible for the day-to-day management of the Company's business. Mr. ZHANG has resigned as the Chief Executive Officer with effect from 31 December 2024. He has remained as a director of certain of the Company's subsidiaries. Details are set out in the announcement of the Company dated 27 December 2024 and page 12 of biographical details of Directors and senior management.

Following the resignation of Mr. ZHANG, the Company does not have a position of chief executive officer. Mr. SUN Bo, executive Director and chairman of the Board, together with Mr. WANG Daming, executive Director, will assume the duties and responsibilities of the chief executive officer of the Company in the overall management, strategic planning and the day-to-day business operation of the Group. Given their extensive experience and knowledge in the investment management, the Board believes that Mr. SUN and Mr. WANG will provide a broader perspective on strategic matters and enable efficient decision-making to meet the dynamic needs of the Group's business.

The Company is in the process of identifying a suitable candidate to fill the vacancy of the chief executive officer. The Company will make further announcement(s) in this regard as and when appropriate and in accordance with the requirements under the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board selects and appoints the candidates for directorships of the Company based on their appropriate experiences, personal skills and time commitments.

All INEDs and Non-executive Directors of the Company were appointed for a specific term, but subject to the relevant provisions of the Bye-Laws of the Company, or any other applicable laws whereby the Directors shall vacate or retire from their office. The term of appointment of the INEDs and Non-executive Directors are one year commencing from the date of appointment.

Corporate Governance Report

The Bye-Laws of the Company Bye-law 99 provides that one-third of the Directors shall retire from office by rotation at every annual general meeting of the Company. Consequently, every Director (other than those appointed since the last annual general meeting) shall be subject to retirement by rotation at least once every three years.

The Bye-law 102(A) provides any Director so appointed either to fill a casual vacancy or as an addition to the Board shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at the meeting.

BOARD COMMITTEES

As an integral part of good corporate governance practices, the Board had established three committees namely, the audit committee, remuneration committee and nomination committee, for overseeing particular aspects of the Group's affairs. To ensure the independent views and input available to the Board, each of these committees comprises mostly INEDs who have been invited to serve as members. These committees are governed by the respective terms of reference approved by the Board. The terms of reference of these committees are posted on the websites of the Company and the Stock Exchange and available to shareholders upon request.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The terms of reference are available on both the Company's and Stock Exchange's websites. The Nomination Committee currently comprises of three members, being one executive Director, namely Mr. SUN Bo (as Chairman of the Nomination Committee), and being two INEDs, namely Mr. MOK Ho Ming and Mr. WONG Yan Wai George. The major roles and functions of the Nomination Committee are:

- to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy;
- to review the structure, size and diversity (including but not without limitation, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board at least annually and make recommendations;
- to identify individuals who are suitably qualified candidates and to receive nominations from shareholders or directors, and make recommendations on the selection of individuals nominated for directorship;
- to assess the independence of INEDs in accordance with the Listing Rules and the CG Code;
- to make recommendations to the Board on the appointment or re-appointment of Directors, as well as succession planning for Directors; and
- to monitor the implementation of the board diversity policy and review such policy as appropriate to ensure the effectiveness of the board diversity policy.

The Nomination Committee has the right to access to independent professional advice if considered necessary.

Corporate Governance Report

The Nomination Committee meets at least once a year and will meet as and when necessary or as requested by a Committee member.

The following is a summary of the work of the Nomination Committee during the year ended 31 December 2024:

- reviewed the structure, size and diversity (including but not without limitation, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board;
- reviewed and made recommendation to the Board on the appointment of new directors;
- reviewed and made recommendations to the Board on re-election of retiring Directors at the 2024 Annual General Meeting ("AGM");
- reviewed the re-appointment of Directors during the year; and
- assessed the independence of the INEDs.

Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

Pursuant to the Nomination Policy, the Company considers a number of criteria in evaluating and selecting candidates for directorships, including but not limited to (i) character and integrity; (ii) qualifications including professional qualifications; (iii) willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments; (iv) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; (v) board diversity policy of the Company and any measurable objectives adopted by the Board for achieving diversity on the Board knowledge and experience that are relevant to the Company's business and corporate strategy; and (vi) other perspectives appropriate to the Company's business.

The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents. The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of Director at the general meeting.

Corporate Governance Report

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

Remuneration Committee

The Remuneration Committee plays an advisory role to the Board. The final authority to approve any remuneration package is retained by the Board. The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code. The terms of reference of the Remuneration Committee are available on the Company's and the Stock Exchange websites. The Remuneration Committee currently comprises of three members, being two INEDs, namely Mr. WONG Yan Wai George (as Chairman of the Remuneration Committee) and Mr. MOK Ho Ming, and being one executive Director, namely Mr. SUN Bo.

The Remuneration Committee meets at least once a year and will meet as and when necessary or when requested by any Committee member.

The major roles and functions of the Remuneration Committee are:

- to formulate remuneration policy regarding Directors and senior management by taking into consideration of individual performance, responsibility and the prevailing market practice;

- to make recommendations to the Board on the Company's policy and structure for the remuneration of the Directors, senior management and general staff;

- to review and recommend the remuneration packages of all Executive Directors and senior management for approval by the Board;

- to review and approve compensation payable to the Directors in connection with loss of their office or compensation arrangement relating to dismissal or removal of Directors; and

- to review and approve matters relating to share scheme under Chapter 17 of the Listing Rules.

The Remuneration Committee has the right to access to independent professional advice relating to remuneration proposals if considered necessary. Details of the remuneration of the Directors are disclosed on an individual basis and set out in note 15 to the consolidated financial statements.

The following is a summary of the work of the Remuneration Committee during the year ended 31 December 2024:

- reviewed the Company's policy and structure for the remuneration of Directors, senior management and general staff;

- reviewed and recommended to the Board the remuneration packages of Directors, senior management and general staff; and

- ensured that no Director or any of his associates was involved in deciding his own remuneration.

Corporate Governance Report

Pursuant to the CG Code, the remuneration of the members of the senior management (other than Directors) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the year ended 31 December 2024 by band is set out below:

Remuneration Bands	Number of Senior Management
Nil to HK$1,000,000	2

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee are available on the Company's and the Stock Exchange's websites. The Audit Committee currently comprises of three members, being three INEDs, namely Mr. MOK Ho Ming (as Chairman of the Audit Committee), Mr. CHEN Ming and Mr. WONG Yan Wai George.

The Audit Committee meets as and when necessary or as requested by an Audit Committee member or the external auditor. The Audit Committee meets (with the presence of the external auditor) at least twice a year.

The major roles and functions of the Audit Committee are:

- to monitor the integrity of the Group's interim and annual consolidated financial statements before submitting to the Board for review and approval;
- to review and monitor the external auditor's independence and objectivity;
- to discuss with the external auditor on matters arising from the audit of the Group's consolidated financial statements;
- to review the effectiveness of the Group's financial controls, internal control and risk management systems; and
- to review the Group's financial and accounting policies and practice.

The Audit Committee has been provided with sufficient resources to discharge its duties and has access to independent professional advice if considered necessary.

Corporate Governance Report

The following is a summary of the work of the Audit Committee during the year ended 31 December 2024:

- reviewed the audited financial statements of the Group for the year ended 31 December 2023 and the related results announcement;
- reviewed the interim accounts of the Group for the six months ended 30 June 2024 and the related results announcement;
- reviewed the Group's financial controls, internal control and risk management systems;
- making recommendations to the Board on the re-appointment of auditors;
- reviewed the remuneration and terms of engagement of the Company's external auditor;
- considered and make recommendation on the change of the independent auditor of the Group, and the terms of engagement;
- reviewed the policies and practices on the Company's corporate governance and the training and continuous professional development of Directors; and
- reviewed significant reporting judgements contained in the Group's financial statements including annual report and accounts, interim and other periodic reports, as well as preliminary result announcements.

The Audit Committee has reviewed with the management of the Group's audited consolidated financial statements for the year ended 31 December 2024 including the accounting principles and practices adopted by the Group and this annual report and has also discussed with management of the Company the financial reporting procedures, internal controls and risk management systems.

Corporate Governance Report

ATTENDANCE OF DIRECTORS AT MEETINGS

Regular board meetings are scheduled to be held at least four times a year at approximately quarterly intervals. The attendance of the Directors at the general meetings of the Company, meetings of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee during the year ended 31 December 2024 are set out below:

	Meetings attended/Meetings eligible to attend [i]				
	AGM	Board meetings	Audit Committee meetings	Nomination Committee meetings	Remuneration Committee meetings
Executive Directors					
Mr. SUN Bo	1/1	3/4	–	1/1	1/1
Mr. WANG Daming	1/1	4/4	–	–	–
Non-executive Directors					
Mr. YANG Zhicheng	1/1	3/4	–	–	–
Mr. HE Yu	1/1	4/4	–	–	–
Ms. YAN Jia	1/1	4/4	–	–	–
Independent Non-executive Directors					
Mr. CHEN Ming	1/1	4/4	2/2	–	–
Mr. MOK Ho Ming	1/1	4/4	2/2	1/1	1/1
Mr. WONG Yan Wai George	1/1	3/4	1/2	0/1	0/1

Note:

i. Attendances of the Directors appointed/retired during the year were made by reference to the number of such meetings held during their respective tenures.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

The chairman of the Board held one meeting with INEDs during the year without the presence of other Directors.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- to maintain appropriate and effective environmental, social and governance ("ESG") risk management to ensure the ESG strategies and reporting requirements are met. Details of the ESG practices of the Group has been set out in sections headed "Environmental, Social and Governance Report" of this annual report.

Below is the summary of work of the Board during the year ended 31 December 2024:

- reviewed and approved the interim results and annual results of the Group;
- approved the re-appointment of LIF & Wong CPA Limited as the auditor of the Group with reference to the recommendation of the Audit Committee;
- reviewed the compliance with the CG Code; and
- reviewed of the effectiveness of the risk management and internal control systems of the Company through the Audit Committee.

Corporate Governance Report

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy as it recognises it is an essential element contributing to the sustainable development of the Group. The concept of diversity incorporates a number of different aspects, such as experiences, skills, knowledge, gender, age, cultural and educational background. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board of the Company. The Nomination Committee has been delegated with the overall responsibility for implementation, monitoring and periodic review of the board diversity policy. The Nomination Committee has reviewed the implementation and effectiveness of the board diversity policy during the year and concluded that it is effective.

The Group also continues to adopt employee diversity measures to promote the diversity at all levels of its workforce. As of the date of this report, approximately 88% of Directors and 70% of total workforce of the Company (including directors and senior management) were male. The Company will continue to take steps to promote diversity, including gender diversity, at board and workforce levels.

As at the date of this report, the Board comprises eight Directors, one of which is a female director, which has satisfied with the requirement of gender diversity by the Stock Exchange. The following tables further illustrate the diversity of the Board members as of the date of this annual report:

	Designation		
Name of directors	**Executive director**	**Non-executive director**	**Independent non-executive director**
Mr. SUN Bo	✓		
Mr. WANG Daming	✓		
Mr. YANG Zhicheng		✓	
Mr. HE Yu		✓	
Ms. YAN Jia		✓	
Mr. CHEN Ming			✓
Mr. MOK Ho Ming			✓
Mr. WONG Yan Wai George			✓

	Age Group		
Name of directors	**30 – 39**	**40 – 49**	**50 or above**
Mr. SUN Bo		✓	
Mr. WANG Daming			✓
Mr. YANG Zhicheng		✓	
Mr. HE Yu		✓	
Ms. YAN Jia		✓	
Mr. CHEN Ming		✓	
Mr. MOK Ho Ming			✓
Mr. WONG Yan Wai George		✓	

Corporate Governance Report

	Professional Experience			
Name of directors	**Finance and investment fund management**	**Business and general corporate management**	**Legal**	**Accounting and finance**
Mr. SUN Bo	✓	✓		
Mr. WANG Daming	✓	✓		
Mr. YANG Zhicheng		✓		
Mr. HE Yu	✓	✓		
Ms. YAN Jia		✓		✓
Mr. CHEN Ming			✓	
Mr. MOK Ho Ming				✓
Mr. WONG Yan Wai George		✓		

WHISTLEBLOWING AND ANTI-CORRUPTION POLICY

The Company has adopted a whistleblowing policy to enhance the awareness of internal corporate justice and regard this as a kind of internal control mechanism. This policy provides the assists to individual employees to disclose internally and at a high level, information which the individual believes showing malpractice or impropriety. If any kind of misconduct is identified, disciplinary actions will be taken such as dismissal. Every case will be undertaken by the Audit Committee of the Company seriously to investigate and the entire process will be kept in high confidentiality whenever necessary. During the year ended 31 December 2024, there were no reported cases. Policies regarding the anti-corruption are also established. Detailed information on the policies is set out in the section headed "Environmental, Social and Governance Report" of this annual report on page 41.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by meetings with senior management of the Company.

Pursuant to the CG Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Directors are encouraged to participate in continuous professional development so as to refresh their knowledge and skills for discharging their duties and responsibilities.

During the year ended 31 December 2024, relevant reading materials including regulatory update and seminar handouts, etc. have been provided to the Directors, namely Mr. SUN Bo, Mr. YANG Zhicheng, Mr. WANG Daming, Mr. HE Yu, Ms. YAN Jia, Mr. CHEN Ming, Mr. MOK Ho Ming and Mr. WONG Yan Wai George, for their reference and studying.

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all the Directors have complied with the required standards as set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year.

AUDITOR'S RESPONSIBILITIES AND REMUNERATION

The statement of the Company's external auditor LIF & Wong CPA Limited regarding their report responsibilities is set out in the Independent Auditor's Report on pages 85 to 89 of this annual report. For the year ended 31 December 2024, the remuneration payable to LIF & Wong CPA Limited and its affiliated firms (if any) is HK$230,000 for audit service, and HK$70,000 for non-audit service, namely, HK$50,000 for review of interim report and HK$20,000 for tax compliance service.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board has the ongoing responsibility to ensure the Group maintains a sound and effective internal control and risk management systems and the effectiveness of the systems should be reviewed to safeguard shareholders' investments and the Group's assets. The risk management and internal control systems of the Group are designed to identify and manage rather than eliminating all the risks, and can provide reasonable instead of absolute assurance against material misstatement or loss. The Group does not maintain its own internal audit team for cost saving purpose, yet, the Board would review the need for setting up an internal audit function on annual basis. Therefore, to fulfill the responsibility, the Board has entrusted the Audit Committee and appointed a professional firm as an independent advisor to assess the risk of the Group and review the internal control system of the Group, including financial, operational, investment reporting and compliance functions.

Internal Audit Report

The internal audit report summarised the internal control findings and major risks respectively. The internal audit consists primarily of examination of the Group's information and documents, together with an assessment of the adequacy of the internal controls of the Group. The set of work programs of the internal audit used include inquiry, observation, review documentation and/or re-performance. The development of the internal control systems of the Group helps to safeguard assets of the Group against unauthorised use or disposition, to maintain proper account records of reliable financial data and to comply with all the relevant laws and regulations. Based on the internal audit review, no material deficiency in all reviewed aspects is discovered.

Corporate Governance Report

Process of the Risk Management

The risk assessment has been carried out under a business risk model. The risk model is a framework for identifying and understanding the types of business risks including strategic risks, operation risks, financial risks as well as information risks. Key risks have been identified by carrying out analysis and through conducting interviews with senior management and executives. The process is followed by assessing the significance and likelihood of the risks qualitatively and quantitatively for risks prioritisation, subsequently evaluating against the control design indicators to conclude the audit requirement rating. Based on the risk assessment and discussion with the Audit Committee, a prioritised group of auditable areas served as input to the development of a three-year internal audit plan. According to the review of the risk assessment report, the Audit Committee has made recommendations to the Board on the development of the Company's upcoming internal audit plan. The risk assessment report together with the suggested internal audit plan were adopted by the Board as input for the risk management and internal audit function.

Main Feature of Internal Controls and Risk Management

The Group's internal control system includes a defined management structure with straightforward and clear lines of reporting, authority limits as well as reporting mechanisms that are designed to facilitate the Group to manage its risks across business operations. The main features of the Group's risk management and internal control systems include management integrity, proper segregation of duties and record maintenance and other controls including analytics and management approval to help safeguarding the Group's assets.

Review of Effectiveness of the Internal Control and Risk Management System

The Board acknowledges that it is responsible for the oversight of the Company's risk management and internal control systems and reviewing their effectiveness. Through meetings with the professional firm, the Board has assessed the effectiveness and adequacy of the internal control and risk management systems of the Group for the year ending 31 December 2024. The Board considers that as a whole the existing internal control systems of the Group are adequate and effective in controlling and safeguarding the Group's assets, help to prevent irregularities and protect the interests of the Company's shareholders in material aspects.

Inside Information

With regards to the internal controls and procedures for the handling and dissemination of inside information, the Company complies with under the Part XIVA and relevant parts of the SFO and the Listing Rules. To ensure that all staff members in the Company are aware of the inside information handling, the Company's disclosure policy sets out guidance and procedures which no less exacting than Model Code to ensure that the inside information of the Company is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Company also has reasonable measures in keeping sensitive information confidential and ensuring the confidentiality terms are in place in significant agreements.

The Board has also developed objective and policies for management of financial risk areas facing the Group, details of which are set out in note 6 to the consolidated financial statements.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS AND CORPORATE GOVERNANCE

The Directors acknowledge their responsibility for preparation of the consolidated financial statements and ensure that the consolidated financial statements for the year ended 31 December 2024 are prepared in accordance with statutory requirements and applicable accounting standards, as well as their responsibility for performing the corporate governance function.

GOING CONCERN

Save as disclosed in note 2 to the consolidated financial statements, the Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

COMPANY SECRETARY

The Company Secretary, Ms. CHEUNG Hoi Ue, is a full time employee of the Company. She fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. The Company Secretary reports to the Chief Executive Officer and supports the Board, ensures good information flow within the Board and Board policy and procedures are followed, advises the Board on governance matters, facilitates induction and, monitors the training and continuous professional development of Directors. She has attained not less than 15 hours of relevant professional training during the year.

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's actual and expected financial performance, the Group's current and future operations and expansion plans, the liquidity position and capital requirement of the Group, and any other factors that the Board deems appropriate. The Company's ability to pay dividends is also subject to the requirements of the Listing Rules and all relevant applicable laws, rules and regulations in Bermuda, Hong Kong and the Bye-Laws of the Company.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board considers that annual general meeting of the Company is key opportunities for shareholders to exchange views with the Board. The Chairman of the Board, the Executive Directors, the Chairman and/or other members of the Audit Committee, Nomination Committee and Remuneration Committee, as well as the external auditor had attended the 2024 AGM of the Company to answer questions raised.

Explanation of detail procedures of voting by poll has been given at the commencement of the 2024 AGM. For each substantially separate issue at the 2024 AGM, a separate resolution was proposed by the chairman of the meeting. The poll results of the 2024 AGM had been published in accordance with the requirement of the Listing Rules.

In addition to annual general meeting, the Company has established a number of channels to communicate with shareholders:

- Annual reports, interim reports and circulars are available on both the Company's and Stock Exchange's websites to shareholders of the Company;

- An updated version of the Company's constitutional documents such as the Memorandum of Continuance and New Bye-laws is made available on the Company's website; and

- The Company's monthly net asset value announcements are posted on the Company's and the Stock Exchange's websites.

SHAREHOLDERS' RIGHTS

The Company has adopted a shareholders' communication policy (the "Shareholders' Communication Policy") which set out the provisions with the objective of ensuring that the Company's shareholders and other stakeholders at large are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable shareholders and other stakeholders to engage actively with the Company through general meetings or other proper means. The Company has also set out in details on Company's website for the manner for the dissemination of its corporate communications (the "Dissemination of Corporate Communications"). Details of the Shareholders' Communication Policy and the Dissemination of Corporate Communications are available on the Company's website at www.ceig.hk under the "Corporate Communications" section. Shareholders are encouraged to access the corporate communications of the Company through the websites of the Stock Exchange and the Company in lieu of receiving printed copies to help protect the environment.

The Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the year and concluded that it is effective.

Procedure for Shareholders to Convene Special General Meetings ("SGM")

Pursuant to the Bye-laws of the Company, a SGM can be convened on the requisition by shareholders pursuant to the Companies Act. Moreover, Section 74 of the Companies Act provides that shareholders who, as at the date of deposit of the requisition, hold not less than one-tenth of the paid-up capital of the Company and carry the right of voting at general meetings of the Company, can request the Directors to convene a SGM.

Corporate Governance Report

The requisitionists must state the purpose of the meeting and the requisition must be signed by the requisitionists and deposited at the registered office or Principal Office of the Company. The Directors must convene a SGM within twenty-one days from the date of deposit of the requisition. The requisitionists, or any of them representing more than one half of the total voting rights of all of such requisitionists may convene a SGM if the Directors fail to convene one within the twenty-one days period.

Shareholders' Enquiries

Shareholders should direct questions concerning their shareholdings to the Company's share registrar/branch share registrar. They can also make enquiries to the Company Secretary of the Company for information concerning the Company which are available to them pursuant to the Companies Act and the Company's Bye-laws. Moreover, shareholders may send their enquiries and concerns in writing through the Company Secretary anytime whose contact details are as follows:

Address: Room 1805, 18/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong
Fax: +852 3792 0618
Email: enquiry@ceig.hk

Procedure for Making Proposals at General Meetings

Shareholders may put forward written proposals for consideration at a general meeting by submitting their proposals to the Board at the Principal Office of the Company at least 60 days before the relevant general meeting. The proposal should be in the form of a proposed resolution and should comply with the following criteria:

i. be clearly stated and in accordance with the Company's Bye-laws, the Companies Act, applicable laws, regulations and the Listing Rules;

ii. be relevant to the Company's business, and comply with all relevant requirements of a general meeting;

iii. in the event that the proposed business includes a proposal to amend the Company's Bye-laws, the proposed resolution should be in complete text and supported by, including but not limited to the following:

   – The class and total number of shares beneficially owned by the individual shareholder of the Company making the proposal;

   – The reasons for the proposed resolution, and any interest in or anticipated benefit to the proposing shareholder; and

   – The benefits or disadvantage, if any, that the proposer suggests.

Corporate Governance Report

Procedure for Proposing a Person for Election as a Director

The procedure for proposing a person for election as a Director are made available on the Company's website.

Constitutional Documents

There had been no significant change in the Company's constitutional documents during the year.

An updated version of Amended and Restated New Bye-Laws of the Company is available on the Company's and Stock Exchange's website.

On behalf of the Board

SUN Bo
Chairman

Hong Kong, 31 March 2025

Environmental, Social and Governance Report

About This Report

China Sci-Tech Industrial Investment Group Limited (hereafter the "Company") and its subsidiaries (collectively the "Group" or "We") understand the increasing concern of our stakeholders about the environmental, social and governance ("ESG") performance of the Company. We maintain our relationship with the key stakeholders and seek for their opinions in regular communication channels such as annual general meeting. To better communicate and meet with their expectation, we are pleased to publish the ESG report (the "Report"). In this report, we present our policy and strategy as well as the performance in addressing the ESG issues.

Reporting Boundary

The scope of the Report covers the office operation in Hong Kong and the reporting period is from 1 January 2024 to 31 December 2024 (the "Reporting Period", "2024").

Data Source and Reliability Statement

The data and cases in the Report are sourced from the original data generated from the actual operation of the Group and we also acquired such data through a specific procedure for collecting ESG information, including administrative documents, information documents, procedural documents, pictures and reports during the Reporting Period. The Group undertakes that the Report does not contain any false information or misleading statement or major omissions, and accepts responsibilities for the contents of the Report as to its authenticity, accuracy and completeness.

Review and Approval

The board of directors (the "Board") the Company confirms that they have the responsibility to ensure the integrity of this Report, and to their best knowledge, the Report expounds all relevant important issues and fairly presents the ESG performance of the Group. This Report was reviewed and approved by the Board on 31 March 2025.

Feedback on the Report

Your opinions on the Report are treasured by us. For any enquiry or recommendation, please feel free to contact us via the following email: enquiry@ceig.hk.

The ESG Approach

The Board believes that a sound ESG structure is vital for the sustainability and continued development of the Company. The Company is willing to take more responsibilities for the society but with a view to balancing the shareholders' interests and the society's benefits.

We will continue to strengthen our efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development. We welcome any comments and suggestions on this report as well as the Company's performance in sustainability development.

Environmental, Social and Governance Report

Reporting Standard

The Report follows the Environmental, Social and Governance Reporting Guide (the "Guide") in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Report meets the "comply or explain" provisions of the Guide and the four reporting principles (i.e. Materiality, Quantitative, Balance and Consistency). A content index for the Guide, which refers to this Report, is included in the final chapter of the Report for easy reference.

ESG Reporting Principles

The following table outlines the key reporting principles that guide the preparation of our ESG Report, in accordance with the Guide requirements:

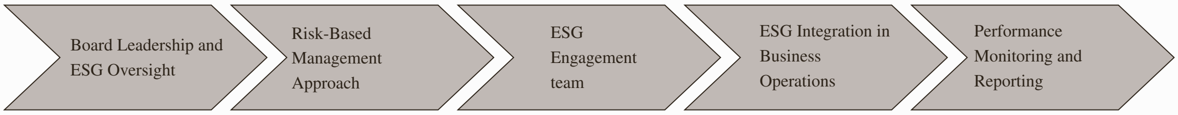
Reporting Principle	Definition	Implementation Approach	Application in Our Report
Materiality	Information that substantively influences the assessments and decisions of stakeholders and the company. Material topics reflect significant economic, environmental, and social impacts or substantially influence stakeholder assessments and decisions.	– Conducted comprehensive materiality assessment – Engaged diverse stakeholder groups through surveys, interviews, and discussions – Prioritized ESG topics based on business significance and stakeholder concerns – Validated findings with senior management	Our report focuses on high and moderate materiality issues identified through our structured materiality assessment process. We provide detailed disclosures on these priority topics while maintaining appropriate coverage of other relevant issues. The materiality matrix visualizes our assessment results.
Quantitative	Metrics, targets, and KPIs that can be measured and expressed in numerical terms, allowing for evaluation of ESG performance over time and comparison with benchmarks.	– Established clear methodologies for data collection – Selected measurable KPIs for material ESG aspects – Documented calculation methods, assumptions, and conversion factors – Applied appropriate metrics aligned with industry standards	We present quantitative information with comparative data from previous reporting periods where available. All metrics include information on measurement standards, methodologies, assumptions, and calculation tools used. Targets are provided with defined timelines to facilitate performance tracking.

Environmental, Social and Governance Report

Reporting Principle	Definition	Implementation Approach	Application in Our Report
Balance	Objective reporting that provides an unbiased picture of performance, including both positive achievements and areas requiring improvement, without selections or omissions that could inappropriately influence decisions.	– Reported both favorable and challenging aspects of performance – Avoided selective disclosure or emphasis – Presented facts without manipulation to alter reader perception – Disclosed corrective actions for underperformance	Our report presents a balanced account of our ESG performance, highlighting achievements while transparently addressing challenges and areas for improvement. We include both positive and negative trends and discuss how we are addressing performance gaps.
Consistency	Using consistent methodologies for meaningful comparisons of ESG data and information over time and across industry peers. Any changes to reporting methods are clearly explained.	– Maintained consistent reporting boundaries and scopes – Applied uniform methodologies for data collection and calculation – Provided explanations where methodologies have changed – Ensured year-on-year comparability	We maintain consistency in our measurement methodologies, reporting scope, and KPI selection across reporting periods. Where changes to methods or scopes have occurred, we clearly explain the nature of these changes and their impact on data comparability. Historical data has been restated where necessary to ensure meaningful comparison.

Environmental, Social and Governance Report

Governance Structure



Board Leadership and ESG Oversight

The Board maintains ultimate accountability for ESG governance of the Company, providing strategic direction and oversight of all ESG matters. The Board regularly evaluates ESG-related risks and opportunities as integral components of the Group's overall risk management framework, ensuring that environmental, social, and governance considerations are embedded into our investment decisions and operational strategies.

In line with the Corporate Governance Code requirements, our Board has adopted a structured approach to ESG governance through:

- Regular review of material ESG issues that may impact our business
- Approval of ESG strategies, policies, and targets
- Oversight of ESG performance against established targets
- Integration of ESG considerations into risk assessment and strategic planning processes

Risk-based management of ESG-related issues

We employ a risk-based approach to ESG management, prioritizing issues based on their potential impact on our business and importance to stakeholders. This methodology enables us to:

- Identify material ESG issues specific to our investment activities
- Integrate ESG considerations into investment due diligence and decision-making processes
- Develop targeted responses to significant ESG risks and opportunities
- Allocate resources efficiently to address priority areas

Environmental, Social and Governance Report

ESG Engagement Team

The ESG Engagement Team operates as the primary implementation body and consists of senior management and external ESG specialists. The team's key responsibilities include:

- Implementing Board-approved ESG strategies and approaches
- Developing and monitoring progress against measurable ESG targets
- Conducting stakeholder engagement to identify emerging ESG risks and opportunities
- Coordinating ESG data collection and reporting across the organization
- Providing regular performance updates to the Board
- Continuously monitoring ESG trends relevant to our investment portfolio

ESG Integration in Business Operations

The Board ensures that ESG considerations are embedded throughout our business operations through:

- Inclusion of ESG criteria in investment evaluation processes
- Regular assessment of ESG risks within our investment portfolio
- Development of ESG-related policies and guidelines for key functional areas
- Promotion of ESG awareness and accountability across all business units

Performance Monitoring and Reporting

We have established systematic procedures to monitor and evaluate our ESG performance:

- Regular review of progress against established ESG targets and goals
- Internal reporting mechanisms to track ESG metrics and initiatives
- External verification of key ESG data where appropriate
- Annual Board review of overall ESG performance and strategy

Through this comprehensive governance structure, we ensure that ESG considerations are systematically integrated into our business strategy and operations, supporting our commitment to sustainable investment practices and long-term value creation for all stakeholders.

Environmental, Social and Governance Report

Our Values: "Be The Core, Be The Center."

Our corporate value statement "Be The Core, Be The Center." embodies our fundamental approach to business and underpins our ESG commitments. This philosophy guides how we operate as an investment company and shapes our relationships with all stakeholders.

"**Be The Core**" reflects our commitment to placing essential principles at the heart of our investment activities. We believe that sound ESG practices form the core foundation of sustainable business success and long-term value creation. By integrating ESG considerations into our investment decisions, we aim to build resilience and generate sustainable returns for our shareholders while contributing positively to society.

"**Be The Center**" represents our aspiration to serve as a central connecting point between various stakeholders in the investment ecosystem. We position ourselves at the intersection of investors, investee companies, regulators, employees, and the broader community, facilitating responsible capital allocation that benefits all parties.

Stakeholder Engagement

As an investment company, our stakeholder engagement process is designed to ensure transparent, timely, and effective communication with all parties who influence or are affected by our business operations. We recognize that understanding stakeholder concerns is essential to better meet or exceed expectations regarding our governance, management, and sustainability practices.

Our stakeholder engagement strategy follows a structured approach that includes:

1. Identifying relevant stakeholders: We have mapped key stakeholder groups specific to our investment business, prioritizing those with significant influence on our operations and those potentially affected by our investment decisions.

2. Collecting stakeholder feedback: We employ diverse engagement channels tailored to each stakeholder group, enabling us to gather valuable insights on their expectations and concerns.

3. Prioritizing material topics: Through our engagement process, we identify and prioritize sustainability issues most relevant to our business and stakeholders.

4. Implementing appropriate responses: We develop specific action plans to address stakeholder concerns and incorporate feedback into our business strategy and ESG initiatives.

5. Regular review and evaluation: We continuously assess the effectiveness of our engagement methods and adapt our approach based on stakeholder feedback and changing business contexts.

Our engagement approach emphasizes transparent communication, active listening, and a commitment to addressing stakeholder concerns in a timely manner. By maintaining open dialogue with our diverse stakeholder groups, we aim to build trust, enhance our ESG performance, and create sustainable value for all parties connected to our investment activities.

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Stakeholder Engagement Analysis

Stakeholder Group	Key Topics of Interest	Communication and Engagement Methods	Suggested Responses
Shareholders/ Investors	– Financial performance – Investment strategy and risk management – ESG integration in investments – Corporate governance – Dividend policy	– Annual General Meeting – Interim and annual reports – Results announcements – Investor relations meetings – Corporate website updates	– Timely disclosure of material information – Regular investor presentations – Transparent reporting on ESG integration in investment decisions – Clear communication of long-term value creation strategy
Regulators	– Compliance with listing rules – Corporate governance practices – Risk management – ESG disclosure requirements – Anti-money laundering practices	– Compliance reports – Regular meetings – On-site/off-site inspections – Prompt responses to inquiries	– Proactive compliance with regulatory changes – Participation in regulatory consultations – Timely submission of required reports – Implementation of robust compliance systems
Employees	– Career development – Compensation and benefits – Work environment – Company ESG initiatives – Corporate culture	– Town hall meetings – Training workshops – Performance discussions – Staff surveys – Internal communications	– Regular skills development programs – Competitive compensation packages – Implementation of employee feedback – Involvement in ESG initiatives – Work-life balance policies
Business Partners/ Investment Partners	– Investment criteria – Co-investment opportunities – Due diligence processes – Risk management – ESG considerations	– Regular meetings – Investment updates – Seminars and events – Direct communications	– Clear investment criteria communication – Transparent due diligence processes – Regular performance updates – Joint ESG initiatives

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Stakeholder Group	Key Topics of Interest	Communication and Engagement Methods	Suggested Responses
Investee Companies	– Performance expectations – Corporate governance requirements – ESG performance criteria – Engagement approach	– Board representation – Regular management meetings – Performance reviews – Direct engagement on ESG issues	– Clear communication of expectations – Constructive feedback on performance – Support for ESG improvements – Knowledge sharing on best practices
Media	– Company performance – Investment strategies – Significant transactions – ESG initiatives	– Press releases – Media briefings – Senior leader interviews – Results announcements	– Transparent information sharing – Timely responses to inquiries – Regular updates on company developments – Proactive communication of ESG achievements
Industry Peers and Professional Bodies	– Market trends – Industry standards – Collaborative initiatives – Regulatory developments	– Industry association participation – Forums and conferences – Collaborative projects	– Active participation in industry dialogues – Contribution to best practice development – Knowledge sharing – Joint advocacy on relevant issues
Suppliers and Service Providers	– Procurement processes – Service expectations – ESG requirements – Payment terms	– Regular meetings – Performance reviews – Clear service agreements	– Fair and transparent procurement – Timely payments – Clear communication of ESG expectations – Supplier ESG assessment
NGOs and Civil Society	– ESG practices – Impact investing – Community initiatives	– Collaborative projects – Meetings and dialogues – Participation in relevant forums	– Partnerships on relevant initiatives – Transparent reporting on ESG performance – Responsive engagement on concerns

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Stakeholder Group	Key Topics of Interest	Communication and Engagement Methods	Suggested Responses
Local Community	– Corporate social responsibility – Community impact – Local employment	– Community investment programs – Volunteer activities – Public events	– Strategic community investments – Employee volunteering programs – Transparent reporting on community impact
Analysts	– Financial performance – Investment strategy – Future outlook – ESG integration	– Analyst briefings – Results presentations – One-on-one meetings	– Consistent communication of strategy – Transparent disclosure of material information – Clear articulation of ESG approach

Materiality Assessment Approach

We conduct a comprehensive materiality assessment annually to identify, prioritize, and validate the ESG issues most relevant to our investment operations and stakeholders. Our structured approach ensures we focus our ESG strategy and reporting on the most impactful areas. For the reporting year, our enhanced materiality assessment process comprised the following steps:

In addition to our established engagement channels with each of our stakeholder groups, we have completed a materiality assessment through stakeholders engagement process which have considered ESG issues relevant to our industry and operations and included the following steps:

1. Identification of Potential Material Topics

We developed a comprehensive inventory of potential ESG topics by:

- Reviewing emerging ESG trends and regulatory developments relevant to our business
- Benchmarking against leading practices in the investment and financial services sector
- Assessing industry-specific frameworks recommendations
- Evaluating our business strategy and risk management framework

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2. *Stakeholder Engagement and Consultation*

We broadened our stakeholder engagement through multiple channels to gather diverse perspectives:

- Conducted targeted interviews with key institutional investors and board members
- Distributed structured surveys to employees, investment partners, and service providers
- Held focused discussion sessions with senior management on strategic ESG priorities
- Engaged with regulatory bodies to understand evolving compliance expectations
- Analyzed feedback collected through our ongoing stakeholder communication channels

3. *Prioritization and Analysis*

We employed a robust analytical framework to prioritize the identified topics based on:

- Strategic importance to our business operations and investment strategy
- Level of stakeholder interest and concern across different stakeholder groups
- Potential financial impact on our business performance and value creation
- Significance of our impact on the economy, environment, and society
- Alignment with our corporate values and long-term business objectives

The prioritization process incorporated both quantitative assessment (survey scores) and qualitative evaluation (interview insights), resulting in a materiality matrix that visually represents the relative importance of each topic.

We believe the most pertinent sustainability issues include investment and employee benefits and welfare, occupational health and safety. Additional material sustainability issues include supplier, corporate governance, anti-corruption, development and training compliance with laws and regulations, sound development of the market and climate change risk, etc.

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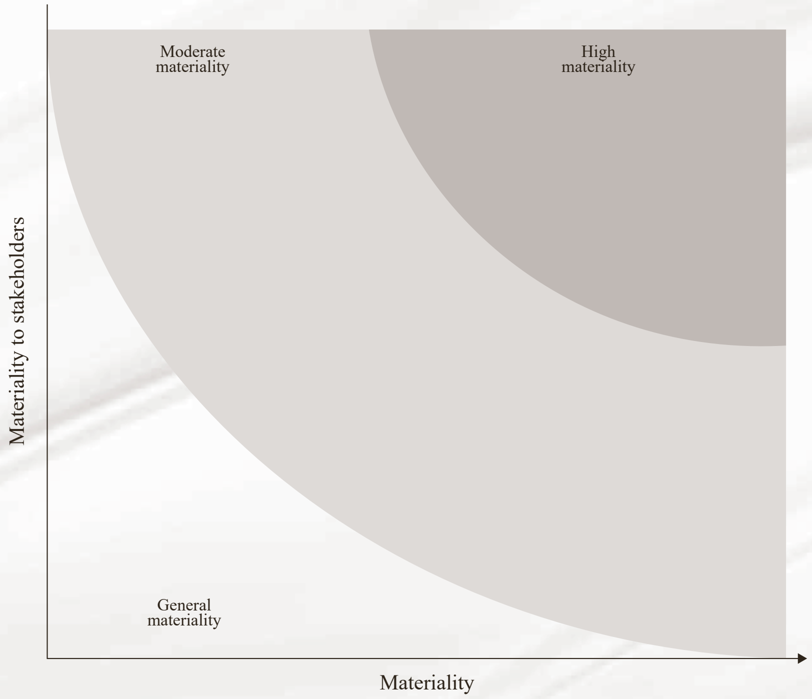
Based on our investment business model, the following framework classifies potential ESG topics into three materiality levels:

ESG Materiality Analysis Matrix



High Materiality Topics (Strategic Priority)

Topics that significantly impact business strategy, financial performance, and stakeholder decisions. These require comprehensive management approaches and detailed disclosure.

Category	Potential High Materiality Topics
Governance	– Corporate governance and board oversight – Business ethics and integrity – Regulatory compliance – Risk management framework
Social	– Responsible investment practices – Data privacy and cybersecurity – Talent attraction and retention
Environmental	– Climate change considerations in investment decisions – ESG integration in investment analysis

Moderate Materiality Topics (Active Management)

Topics that have notable but not critical impact on business operations or stakeholder concerns. These require active management and regular monitoring.

Category	Potential Moderate Materiality Topics
Governance	– Transparency and disclosure practices – Executive compensation – Stakeholder engagement
Social	– Employee diversity and inclusion – Professional development – Community relations
Environmental	– Operational carbon footprint – Sustainable procurement practices

General Materiality Topics (Baseline Management)

Topics with limited direct impact on business performance but still relevant for baseline ESG performance and reporting.

Category	Potential General Materiality Topics
Governance	– Public policy engagement – Tax transparency
Social	– Corporate social responsibility initiatives – Employee volunteering – Workplace health and safety
Environmental	– Office waste management – Water consumption – Energy efficiency in operations

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Targets and Goals

In order to enhance the accountability and effectiveness of ESG management, we set the directional targets and goals in terms of quantitative and qualitative aspect. The table below is the descriptions of our targets and goals.

Relevant stakeholders	Targets and goals for last year and for the year	Material topic
Employees	– To increase or maintain employees' training hours – To maintain safety and health of working environment	– Professional development – Workplace health and safety
Environmental	– To reduce paper usage – To reduce the electricity usage	– Operational carbon footprint – Office waste management
Investor	– To consider the ESG-related risk in the investment decision making process	– ESG integration in investment analysis
Suppliers	– To attach greater importance on the assessment of environmental and social aspects	– Sustainable procurement practices

Rationale for Our ESG Targets and Goals

Our company has carefully selected specific ESG targets and goals that align with our business model as an investment company while addressing the material topics identified through our stakeholder engagement process. These targets reflect a strategic approach to sustainability that balances business objectives with environmental and social responsibilities.

Strategic Alignment with Material Topics

The targets we have established directly correspond to the high and moderate materiality topics identified in our assessment. By focusing our efforts on employee development, environmental efficiency, responsible investment, and sustainable supply chain practices, we address the issues most relevant to our business operations and stakeholder concerns.

Stakeholder-Centric Approach

Our target selection process was guided by the insights gathered through our comprehensive stakeholder engagement activities. We have prioritized goals that address the specific topics raised by key stakeholders, including investors' concerns about ESG integration in investment decisions, employees' interest in professional development and workplace safety, and broader environmental considerations raised across stakeholder groups.

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Operational Feasibility and Impact

As an investment company with a relatively small operational footprint in Hong Kong, we have selected targets that are proportionate to our business scale yet meaningful in their potential impact. The focus on paper and electricity reduction acknowledges the primary environmental impacts of our office-based operations, while our investment-related targets address the more significant indirect impacts of our core business activities.

OUR HUMAN CAPITAL APPROACH

We recognize that our employees are our most valuable asset and the driving force behind our continued success. As an investment company, our business performance is directly linked to the expertise, dedication, and innovative thinking of our professional team. We are committed to fostering a workplace environment that empowers our employees, promotes their wellbeing, and enables them to deliver exceptional value to our stakeholders.

Talent Management Framework

We have developed a comprehensive talent management framework that aligns with our corporate value statement "Be The Core, Be The Center." This framework focuses on attracting, developing, and retaining investment professionals and support staff who embody our core values and contribute to our strategic objectives.

Our talent strategy is built on four pillars:

- Attraction: Recruiting professionals with strong financial acumen and alignment with our values
- Development: Providing continuous learning opportunities to enhance technical and leadership capabilities
- Engagement: Fostering a collaborative culture that promotes innovation and open communication
- Retention: Offering competitive compensation and creating meaningful career progression paths

Employee Engagement and Communication

We maintain open and transparent communication channels with our employees through:

- Regular team meetings to share business updates and gather feedback
- One-on-one performance discussions with line managers
- Digital communication platforms for day-to-day information sharing
- Anonymous feedback mechanisms to address concerns confidentially

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We carefully analyze employee feedback and implement improvements to enhance workplace satisfaction and productivity. Our managers are trained to provide constructive feedback and recognize outstanding performance.

Work-Life Integration

Recognizing the importance of work-life balance, particularly in the demanding investment industry, we have implemented:

- Flexible working arrangements where operationally feasible
- Team-building activities that foster camaraderie and strengthen relationships
- Periodic social gatherings such as team lunches to build connections outside the formal work environment
- Wellness initiatives that support physical and mental wellbeing

Employee Training and Development in Support of Sustainable Growth

We recognize that our employees are essential to our success and to achieving our ESG goals. The Company attaches great importance to the career development and quality of employees. We provided the employees with effective training and develop a clear promotional ladder, ensuring that the employees have the required skills. We are committed to providing robust training and development opportunities that enhance their skills, promote a culture of sustainability, and drive long-term value creation. As part of our ESG initiatives, we are committed to fostering a culture of continuous learning and professional development. This approach not only enhances individual growth but also aligns with our broader sustainability goals.

Our Core Principles: Investing in Growth, Driving ESG Performance

Our training and development strategy is built upon the following core principles:

- Empowerment: Providing employees with the tools and resources they need to excel in their roles and advance their careers.
- Relevance: Ensuring training content is directly applicable to their day-to-day work and aligned with our strategic objectives.
- Sustainability: Integrating ESG principles into all aspects of our training, fostering a culture of responsible investing.
- Inclusivity: Offering equal access to training opportunities for all employees, regardless of their position or background.
- Accountability: Tracking the impact of our training investments and continuously improving our programs based on feedback and results.

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Professional development is essential to keep pace with the latest market information and maintain technical competence in the investment industry. As such, we encourage our employees to actively participate in continuous professional training and provide support to them. Furthermore, we gather and distribute the latest updates of the regulatory changes or market information to our employees for their knowledge enrichment. On-the-job training regarding the company policies, procedures, disclosures standard and obligation to relevant employees is also provided.

Our Commitment to the Future

We recognize that investing in our employees' training and development is essential for our long-term success and sustainability. We are committed to continuously improving our training programs and providing our employees with the resources and opportunities they need to thrive in their careers and contribute to our mission of creating value for our stakeholders. By fostering a culture of continuous learning, we are empowering our people to build a more sustainable and prosperous future for our company and the world.

The percentage of employees of the Company receiving training and the average training hours per employee during the Reporting Period are summarized as follows:

	% of trained employees		**Average training hours** (Note 1)	
Category by gender and grade	FY2023	**FY2024**	FY2023	**FY2024**
Male	100	**100**	2	**3**
Female	100	**100**	20	**20**
General employees	N/A	**N/A**	N/A	**N/A**
Mid-level employees	100	**100**	30	**60**
Senior management	100	**100**	2	**2**

Note 1: The training included the internal training activities such as material reading. The training hours counted on the material reading were based on our assumption of general hours have to be used on the material reading.

During the Reporting Period, the average training hours per employee were 8 hours (2023: 7 hours).

During the Reporting Period, the training to the employees covered the aspects of investment and finance, financial reporting, anti-corruption, anti-money laundering and the Listing Rules compliance and valuation.

Health, Safety and Wellbeing

We are committed to creating a safe, healthy, and supportive workplace environment for all employees. While our office-based operations inherently have a low safety risk profile, we recognize the importance of proactively addressing potential hazards and promoting employee wellbeing. Our approach to health and safety is guided by compliance with relevant regulations, best practices, and a commitment to continuous improvement.

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Workplace Safety Management

While our office-based operations present relatively low physical safety risks, we maintain rigorous standards to ensure a safe working environment:

- Regular workplace safety assessments to identify and mitigate potential hazards
- Ergonomic workstations that have adjustable chairs and desks are provided to minimize musculoskeletal strain and improve comfort
- Clear emergency response procedures, including fire evacuation plans
- Proper maintenance of office equipment and facilities
- Sufficient space between workstations and clean common areas such as corridors and pantry are maintained to prevent slips, trips, and falls
- Proper ventilation systems and adequate lighting are installed to promote a comfortable work environment

Emergency preparedness is ensured through regular fire drills and evacuation simulations, which enhance employee awareness of emergency procedures. Clear guidelines for handling emergencies, including arrangements for bad weather, are outlined in the company's working policies. Additionally, selected employees receive first aid training to respond effectively to medical emergencies. To maintain a safe and focused work environment, smoking and substance abuse, including alcohol and drugs, are strictly prohibited within the workplace.

Holistic Wellbeing Approach

We take a holistic approach to employee wellbeing that encompasses physical, mental, and financial aspects:

- Physical Health: Comprehensive medical insurance coverage and promoting healthy lifestyle choices
- Mental Wellbeing: Creating a supportive environment that recognizes the importance of mental health
- Financial Wellbeing: Providing competitive compensation and benefits packages

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Pandemic Resilience

We have developed robust protocols to protect our employees during public health emergencies:

- Enhanced hygiene measures including provision of personal protective equipment and hand sanitizers
- Clear guidelines for employees experiencing symptoms of illness
- Flexible work arrangements including remote working capabilities
- Technology infrastructure that enables seamless virtual collaboration
- Regular communication on health and safety protocols

We also drafted the temporary policy for work-from-home arrangement for employees, to respond to unexpected situations and ensure that all employees can smoothly work from home. We analyzed and made judgement according to the situations reported by employees.

During the Reporting Period and the past three years, we maintained a safety record with zero work-related injuries or fatalities, and no lost workdays due to workplace incidents.

Diversity, Inclusion and Equal Opportunity

Equal Opportunity and Anti-Discrimination

We firmly believe that diversity, inclusion, and equal opportunity are essential for fostering innovation, enhancing productivity, and creating a harmonious workplace. Our commitment to these principles is reflected in our policies and practices, which aim to ensure that all employees are treated with fairness, respect, and dignity.

Promoting Diversity and Inclusion

We value cultural and individual diversity as a key driver of creativity and organizational success. Our approach to diversity goes beyond compliance. It is embedded in our corporate culture. We actively promote an inclusive workplace where personal characteristics such as gender, pregnancy, marital status, disability, family status, race, or ethnicity do not hinder opportunities for employment, training, or career advancement.

We believe that diverse perspectives drive innovation and better decision-making. Our approach to diversity and inclusion encompasses:

- Gender diversity across organizational levels
- Age diversity that balances experience with fresh perspectives
- Cultural diversity that reflects our global investment outlook
- Cognitive diversity that encourages different thinking styles and approaches

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Equal Opportunity Practices and Anti-Discrimination Measures

We have established comprehensive policies to ensure fair treatment and equal opportunities for all employees:

- Merit-based recruitment and promotion processes
- Standardized performance evaluation criteria
- Equal access to training and development opportunities
- Zero tolerance for discrimination or harassment

These practices are implemented in accordance with Hong Kong's anti-discrimination legislation, including the Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), and Race Discrimination Ordinance (Cap. 602).

Our policies prohibit discrimination based on gender, age, race, marital status, disability, or family status. We actively promote diversity and inclusion in all aspects of employment.

Inclusive Culture Initiatives

Beyond compliance, we actively foster an inclusive culture through:

- Leadership commitment to diversity principles
- Regular review of policies and practices to identify and eliminate bias
- Inclusive language in all communications
- Creating opportunities for all voices to be heard in decision-making processes

During the Reporting Period, no incidents of non-compliance were reported regarding equal opportunity, diversity, or anti-discrimination. We maintained a workplace free from discrimination or harassment and continued to uphold the highest standards of fairness in all aspects of employment.

Employment Practices and Compliance

Compliance with Employment Laws and Regulations

We are committed to maintaining full compliance with all relevant employment laws and regulations in Hong Kong. This commitment reflects our dedication to fostering a fair, transparent, and ethical workplace that prioritizes the rights and wellbeing of our employees.

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Key Employment Regulations

During the Reporting Period, we adhered to the following key employment laws and ordinances in Hong Kong:

- Mandatory Provident Fund Schemes Ordinance (Chapter 485): We participate in the Mandatory Provident Fund (MPF) retirement benefit scheme for all eligible employees, ensuring their financial security upon retirement.

- Minimum Wage Ordinance (Chapter 608): We comply with statutory minimum wage requirements, providing fair compensation to all employees.

- Employment Ordinance (Chapter 57): We ensure compliance with provisions governing employment contracts, working hours, leave entitlements, termination procedures, and other employment practices.

- Employees' Compensation Ordinance (Chapter 282): We provide employees with compensation coverage for work-related injuries or illnesses.

These regulations form the foundation of our employment practices, ensuring that we uphold the rights of our workforce while meeting legal requirements.

Recruitment and Employment Practices

We have implemented rigorous recruitment processes to ensure transparency and fairness:

- Labor Contracts: All employees sign clear and comprehensive labor contracts that outline their rights, responsibilities, and benefits in accordance with Hong Kong law.

- Background Verification: We conduct thorough background checks on prospective employees to ensure compliance with legal standards and verify identity documents.

- Equal Opportunity Hiring: Our recruitment process is merit-based and free from discrimination, ensuring equal access to job opportunities for all candidates.

Regular Review of Employment Policies

Our employment policies are reviewed regularly to ensure alignment with:

- Latest Labor Laws: We monitor legislative updates to maintain compliance with evolving regulations.

- Market Norms: Our practices are benchmarked against industry standards to remain competitive in attracting and retaining talent.

These reviews enable us to continuously improve our practices while safeguarding employee rights.

Employee Benefits and Welfare

We provide a comprehensive benefits package that exceeds statutory requirements. This includes:

- Competitive salaries aligned with industry benchmarks
- Paid annual leave, sick leave, maternity/paternity leave, and other statutory entitlements
- Medical insurance coverage for employees
- Retirement benefits through MPF contributions

Our benefits package reflects our commitment to supporting the financial, physical, and emotional wellbeing of our employees.

During the Reporting Period, no incidents of non-compliance with employment laws or regulations were identified. There were no reported cases related to recruitment practices, employee benefits, welfare policies, or anti-discrimination measures. This zero non-compliance record demonstrates our strong governance framework and unwavering commitment to ethical employment practices.

Continuous Improvement Initiatives

To further enhance compliance and employee satisfaction:

- Training Programs: We conduct regular training on labor law updates for HR personnel and managers.
- Employee Feedback Mechanisms: Anonymous surveys allow employees to share concerns related to workplace practices confidentially.
- Audits: Internal audits are conducted periodically to assess compliance with labor laws and identify areas for improvement.

By implementing these initiatives, we ensure that our employment practices remain robust while fostering a positive workplace culture.

Ethical Employment Standards

We adhere to stringent ethical employment standards that exceed regulatory requirements:

- Transparent employment contracts that clearly outline rights and responsibilities
- Fair compensation practices benchmarked against industry standards
- Respectful termination procedures with appropriate notice periods
- Regular working hours with reasonable arrangements for additional time when required
- Comprehensive benefits package including healthcare and retirement provisions

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Prevention of Child and Forced Labor

Our Commitment and Policy Framework

Our Company unequivocally recognizes that child and forced labour constitute serious violations of fundamental human rights, contravene international labour conventions, and undermine sustainable social and economic development. As a responsible corporate citizen, we are committed to upholding the highest ethical standards in our operations and investment decisions.

Our comprehensive policy on child and forced labour is guided by:

- International Labour Organization (ILO) Core Conventions
- United Nations Guiding Principles on Business and Human Rights
- Hong Kong's Employment Ordinance and Employment of Children Regulations
- Industry best practices for responsible investment

Preventive Measures in Our Operations

While the risk of child and forced labour is minimal in our office-based investment operations, we implement robust preventive measures:

- Rigorous Recruitment Procedures: We verify the identity and age of all prospective employees through comprehensive background checks and examination of original identification documents.
- Zero-Tolerance Policy: Our employee handbook and code of conduct explicitly prohibit any form of forced labour practices, including physical punishment, abuse, servitude, or trafficking.
- Verification Protocols: Cases involving forged identification documents or falsified personal information are thoroughly investigated and addressed according to our company policies and relevant legal requirements.
- Regular Training: We provide awareness training to our staff on recognizing signs of labour exploitation and understanding their responsibility in preventing such practices.

Monitoring and Compliance

Our approach to monitoring and ensuring compliance includes:

- Regular review of our policies and procedures to ensure alignment with evolving regulations and best practices
- Periodic assessment of our investment portfolio for emerging risks related to child and forced labour
- Maintaining open channels for reporting concerns through our whistleblowing mechanism
- Transparent reporting on our efforts to prevent child and forced labour in our annual ESG report

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Remediation Approach

In the unlikely event that issues related to child or forced labour are identified in our operations or investment portfolio, we have established a clear remediation framework that prioritizes the best interests of affected individuals while addressing the root causes of the violation.

During the Reporting Period, we maintained strict compliance with all applicable employment ordinances and did not employ any child or forced labour in our operations. Furthermore, we continued to strengthen our investment screening processes to mitigate exposure to these risks in our portfolio.

Employment Profile

As at 31 December 2024, the Company had 10 (2023: 12) employees, in which all of them are located in Hong Kong.

	Number of workforces		**Turnover rate (note)**	
	FY2023	**FY2024**	FY2023	**FY2024**
By gender				
Male	9	**7**	11%	**22%**
Female	3	**3**	33%	**–**
By employment type				
Full-time	12	**10**	17%	**17%**
Part-time	–	**–**	–	**–**
By grade				
General	–	**–**	100%	**–**
Middle level	2	**1**	–	**50%**
Senior management	10	**9**	11%	**10%**
By age				
Aged 30-50	11	**9**	18%	**18%**
Aged 50 or above	1	**1**	–	**–**
By geographical region				
Hong Kong	12	**10**	17%	**17%**
Others	–	**–**	–	**–**

Note: The calculation of turnover rate was the total number of employees who left employment during the year divided by the total number of employees at the beginning of the year.

The Company aims to maintain the employee turnover rate at an acceptable level and help the Group to accumulate professional expertise and experience in a more effective manner. During the Reporting Period, the Group's total employee turnover rate is 17% (2023: 17%). No significant change of the total employee turnover rate compared to the last reporting period.

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INVESTORS

Sustainable Investment Strategy

We recognize that investors are a key stakeholder group who value transparency, accountability, and long-term value creation. Our sustainable investment strategy is designed to align financial performance with responsible investment practices, ensuring that we meet the evolving expectations of our investors while contributing positively to ESG outcomes.

Commitment to Responsible Investment

We believe that effective management of ESG issues is a critical element in sustaining business success and promoting long-term growth. As a responsible investor, we are committed to integrating ESG considerations into our investment decisions to enhance portfolio resilience and generate sustainable returns for our shareholders.

Our investment principles prioritize:

- Strong Corporate Governance: Companies with robust governance frameworks, ethical leadership, and transparent reporting practices.

- Long-Term Growth Potential: Businesses with strong management teams, high levels of expertise, research and development capabilities, and scalable business models.

- ESG Performance: Companies that demonstrate transparency in information disclosure, environmental consciousness (e.g., pollution reduction and resource conservation), social responsibility (e.g., community engagement), and active interaction with stakeholders.

ESG Integration in Investment Decisions – Pre-Investment Screening

We conduct thorough due diligence on potential investments to assess their ESG performance. This includes:

- Reviewing the company's governance structure, ethical practices, and compliance with applicable laws.

- Evaluating environmental practices such as carbon emissions management, waste reduction, and resource efficiency.

- Assessing social initiatives including employee welfare, diversity and inclusion policies, and community contributions.

Portfolio Monitoring

We actively monitor the ESG performance of investee companies to identify risks and opportunities that may impact long-term value creation. Our monitoring process includes:

- Regular engagement with investee companies to encourage improvements in ESG practices.

- Identifying emerging risks such as climate-related impacts or regulatory changes.

- Leveraging ESG data analytics to track performance against global standards.

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Safeguarding Shareholder Interests

To protect shareholder investments and ensure alignment with our objectives:

- Diversified Portfolios: We invest in a mix of listed and private securities across various industries and geographies to mitigate risks.

- Hierarchical Decision-Making: All investment decisions follow a structured approval process outlined in our Internal Management and Control Manual. This ensures accountability at every level.

- Compliance Framework: Employees strictly adhere to internal policies governing investment activities, including compliance with regulatory requirements.

These measures ensure that all investments align with our commitment to responsible investing while safeguarding shareholder interests. By fostering transparent communication, we aim to build trust with our investors while demonstrating our commitment to sustainability.

We are dedicated to creating long-term value for our investors by integrating ESG considerations into every stage of the investment lifecycle. Our sustainable investment strategy reflects our belief that financial success and responsible corporate citizenship go hand in hand. By aligning our investments with global sustainability goals, we aim to deliver resilient returns while contributing positively to society and the environment.

Privacy Protection and Data Governance

The Company recognizes that safeguarding privacy and maintaining robust data governance are critical components of our ESG strategy. As a responsible investment company, we are committed to ensuring the confidentiality, integrity, and security of sensitive information, including investment plans, price-sensitive data, and personal information. Our privacy protection measures are designed to build trust with stakeholders, comply with regulatory requirements, and align with global best practices.

Commitment to Privacy Protection

We maintain a high level of confidentiality in managing sensitive company information. Our approach is guided by the following principles:

- Confidentiality: Ensuring that sensitive information is accessible only to authorized personnel.

- Transparency: Providing clear communication about how data is collected, used, stored, and protected.

- Compliance: Adhering to all relevant laws and regulations to ensure full compliance with privacy and data protection standards.

Regulatory Compliance

We strictly comply with the following regulations to uphold privacy standards:

- Hong Kong Listing Rules: Ensuring appropriate handling and timely disclosure of inside information.

- Securities and Futures Ordinance: Preventing unauthorized disclosure of price-sensitive or unpublished information.

- Personal Data (Privacy) Ordinance (Cap. 486): Protecting personal data in accordance with Hong Kong's privacy laws.

During the Reporting Period, there were no incidents of non-compliance related to data privacy or breaches of confidential information.

Privacy Protection Measures

To safeguard sensitive information and prevent data breaches, we have implemented the following measures:

Policy Framework

- Inside Information Policy: A comprehensive policy governs the handling of unpublished inside information. Employees are strictly prohibited from disclosing such information without authorization.

- Data Access Controls: Access to sensitive data is restricted based on roles and responsibilities through multi-level authorization protocols.

Data Governance Framework

Our robust data governance framework ensures that all sensitive information is managed responsibly:

- Data Minimization: We collect only the necessary data required for legitimate purposes, reducing risks associated with excessive data storage.

- Data Retention Policy: Unnecessary or outdated data is securely deleted in accordance with our retention schedule to minimize risks.

- Incident Response Plan: A comprehensive plan is in place for addressing potential data breaches or unauthorized disclosures swiftly and effectively.

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SUPPLIER ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The Company recognizes that our suppliers are critical stakeholders in achieving our ESG goals. As an investment company, we emphasize the importance of developing and maintaining sustainable, transparent, and ethical supply chain practices. By fostering long-term partnerships with socially responsible suppliers, we aim to enhance operational efficiency, mitigate ESG risks, and contribute to broader sustainability objectives. By integrating sustainability into every aspect of our supply chain management, the Company aims to build resilient partnerships that drive mutual growth while contributing positively to society and the environment. This approach reflects our broader commitment to achieving long-term value creation through responsible business practices.

Commitment to Responsible Sourcing

We are committed to conducting business with suppliers who share our values of integrity, sustainability, and social responsibility. Our supplier engagement strategy focuses on:

- Building Trust: Establishing collaborative relationships with suppliers based on mutual respect and shared ESG objectives.

- Promoting Sustainability: Encouraging suppliers to adopt environmentally friendly practices and improve their social governance standards.

- Ensuring Compliance: Holding suppliers accountable for meeting regulatory requirements and ethical standards.

Supplier Selection

To ensure alignment with our ESG principles, we have implemented a rigorous supplier selection and due diligence process:

- Evaluation Criteria: Suppliers are assessed based on their reputation, track record of corporate responsibility, expertise, and capacity to meet our operational needs.

- ESG Screening: We evaluate suppliers' environmental impact (e.g., carbon emissions), labor practices (e.g., fair wages and safe working conditions), ethical sourcing policies, and governance structures.

- Approval Process: All supplier agreements require management approval to ensure compliance with our internal policies and ESG standards.

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Supplier Assessment

The table below summarized our assessment in the four aspects. In addition to the general assessment, for the significant suppliers, the assessment will be conducted based on these four aspects when engaging suppliers. We will perform regular review to assess the key suppliers for these four aspects. The review of assessment included the searching of news and reading the publicly disclosed ESG-related data and policy and other applicable information.

As our influence power to the suppliers' ESG-related decision making is limited, our feasible practices could be used to promote the environmentally preferable products or services would be the termination of the product or services for suppliers failing in our assessment and providing feedback and opinion to those suppliers about our concern if there is available communication channel.

Qualitative	**Quantitative**	**Environmental**	**Social**
– Reputation – Technical support – Performance – Management background	– Initial and maintenance costs – Capability – Return – Delivery on time	– Energy consumption – Air emissions and waste management – Recyclable material	– Contribution to society and charity – Human right – Labor practice – Market development

Suppliers by geographical region:

	Number (Note 1)		**Number of suppliers being assessed** (Note 2)	
Region	FY2023	**FY2024**	FY2023	**FY2024**
Hong Kong	13	**13**	4	**3**
China	2	**3**	Nil	**Nil**
Others	–	**1**	–	**–**
Total	15	**17**	4	**3**

Note 1: We only included the key suppliers, which are significant to our operations, in our calculation.

Note 2: The assessments performed were for the current suppliers.

During the Reporting Period, our key suppliers mainly included the banks, securities broker, insurance, auditing, printing and other professional services providers. Others included office equipment, computer and software suppliers.

Environmental, Social and Governance Report

ETHNIC BUSINESS

Anti-corruption

The Company upholds the business integrity and corporate ethnics and has no toleration on any forms of corruptions and fraud. As stated in our "Entertainment Policy", the employees are not allowed to receive any benefits and compensations from the investee company or potential company unless prior approval is obtained. If any suspected corruption is identified, legal actions will be undertaken. All employees should follow our "Conflict of Interests Policy" to report and declare any conflict of interest between the potential investee companies to avoid biased investment.

During the Reporting Period, the training of anti-corruption for directors and employees was conducted by internal training and reading materials.

During the Reporting Period, the Company did not receive any cases violating relevant laws and regulation on corruption, bribery, extortion, fraud and money laundering.

Whistleblowing System

We emphasise professional conduct of our employees and set clear inappropriate behaviours in the Code of Conduct. If any kind of misconduct is identified, disciplinary actions will be taken such as dismissal. To whom who are concerned about the malpractices in the workplace, we have had the whistleblowing system in place and formulated policy to provide an effective reporting channel. Every case will be undertaken by the Audit Committee seriously to investigate and the entire process will be kept in high confidentiality whenever necessary. During the Reporting Period, there was no reported cases.

COMMUNITY INVESTMENT

The Company always believes that it is important to positively give back to the community which the Company is part of. The Company is developing methods to contribute to the society and expand the Company's efforts in the area of charity work. The Company does not only endeavour to fulfil the Company's obligations as a corporate citizen while also motivating the Company's employees to participate in various charitable social activities, so that the Company can contribute to the community and provide more assistance to the people in need. Looking ahead, the Company will strive to exert its influence as a role model in the society, better undertake its environmental protection responsibilities and create excellent credibility through the care for humanity and social responsibilities.

The focus areas of the Group's community investment are social welfare and environmental concern. The Group believes that it can act effectively to help alleviate social problems and responds positively with volunteering services. During the Reporting Period, employees might have the needs to take care their children and family during the weekday. In order to improve the work-life balance of the Group's employees, their family needs and encourage them to participate in community activities and charitable events so as to contribute to the society, the Group's employees from the back office are offered flexible working hours arrangements on the weekday. The Group's employees may have more spare time with their families and participate in volunteering services to give back to the society. During the Reporting Period, except for the arrangement of the Group's working policy, there is no specific resources contributed to the focus area.

Environmental, Social and Governance Report

The Company believes one of the best ways to serve the community is to drive positive impact through its investment portfolio. To create shared values with the community and stakeholders, the Company will continue to consider ESG factors in selecting future investment projects.

PRODUCT RESPONSIBILITY

The office-based operation of the Company is not considered to have significant environmental and social risks of product responsibility due to its nature of business. Therefore, disclosure relating to this aspect, as set forth in the Guide, is not applicable to the Company.

ENVIRONMENT

We are committed to upholding our environmental responsibilities by minimizing the environmental impact of our business operations. As a company primarily engaged in the investment and trading of listed and unlisted securities, our office-based operations inherently have a low environmental footprint. Nonetheless, we recognize the importance of adopting sustainable practices to protect the environment and contribute to global sustainability efforts.

Compliance with Environmental Laws and Standards

We strictly adhere to all relevant environmental laws and regulations in Hong Kong. During the Reporting Period, the Company was not aware of any incidents of non-compliance with applicable environmental laws or standards. We continuously monitor our operations to ensure compliance and identify areas for improvement.

Our adherence to these regulations reflects our commitment to maintaining high standards of environmental governance.

Carbon Emission Management

While our operations result in minimal direct greenhouse gas (GHG) emissions, we remain committed to reducing indirect emissions associated with electricity consumption:

- Indirect Emissions Focus: The primary source of our carbon footprint is the electricity used by office equipment.

- Emission-Free Operations: Due to the nature of our business, we do not generate nitrogen oxides, sulfur oxides, or respiratory suspended particles during operations.

By implementing these measures, we aim to reduce our carbon footprint while maintaining operational efficiency.

Air Emissions

During the Reporting Period, the Company reported no direct emissions (Scope 1) for both FY2023 and FY2024, reflecting our office-based operations with no on-site fuel combustion or vehicle usage.

Environmental, Social and Governance Report

Total emissions from purchased electricity (Scope 2) decreased slightly from 3.26 tonnes CO_2e in FY2023 to 3.25 tonnes CO_2e in FY2024. This minor reduction was the result of a combined effect of (1) a slight increase in total electricity consumption from 4,794 kWh in FY2023 to 4,924 kWh in FY2024, and (2) a lower emission factor for purchased electricity (FY2023: 0.68 kg CO_2/kWh; FY2024: 0.66 kg CO_2/kWh). The lower emission factor reflects improvements in the carbon intensity of the electricity grid.

The intensity of Scope 2 emissions per FTE increased from 0.27 tonnes CO_2e/FTE in FY2023 to 0.33 tonnes CO_2e/FTE in FY2024, primarily due to the decrease in full-time employees (FTE) from 12 in FY2023 to 10 in FY2024, rather than a significant change in total emissions. For Scope 3 emissions, emissions from paper waste rose slightly from 0.34 tonnes CO_2e in FY2023 to 0.35 tonnes CO_2e in FY2024, with intensity increasing from 0.03 tonnes CO_2e/FTE to 0.04 tonnes CO_2e/FTE, reflecting higher paper consumption per employee. The increase was primarily due to the decrease in full-time employees (FTE) from 12 in FY2023 to 10 in FY2024.

Combined Scope 1, 2, and 3 emissions remained stable at 3.60 tonnes CO_2e for both FY2023 and FY2024, with minor changes attributed to variations in electricity usage and paper consumption. Despite these fluctuations, the overall environmental impact remains relatively low due to the nature of office-based operations.

By addressing these areas, the Company will enhance its environmental performance while maintaining operational efficiency and aligning with its ESG commitments. The enhancement aspect will focus on (i) implementing additional energy-saving measures, such as motion-sensor lighting and energy-efficient office equipment, to reduce overall electricity consumption and (ii) promoting digital workflows and reduce reliance on printed materials to minimize paper usage further.

Emission	**Sources**	**Unit**	FY2023	**FY2024**
Direct emissions (scope 1)	N/A	Tonnes CO_2e	N/A	**N/A**
Energy indirect emissions (Scope 2)	Purchased electricity (Note 3)	Tonnes CO_2e	3.26	**3.25**
Intensity (Note 2)		Tonnes CO_2e/FTE	0.27	**0.33**
Other indirect emissions (Scope 3)	Paper wasted	Tonnes CO_2e	0.34	**0.35**
Intensity (Note 2)		Tonnes CO_2e/FTE	0.03	**0.04**
Total GHG emissions (Scope 1, 2 and 3)			3.60	**3.60**
Electricity consumed		kWh	4,794	**4,924**
Intensity (Note 2)		kWh/FTE	399.50	**492.40**
Paper consumed		Kg	71.32	**71.88**
Intensity (Note 2)		Kg/FTE	5.94	**7.19**

Environmental, Social and Governance Report

Note 1: Carbon emissions are calculated with reference to the "Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the emission factor published by the electricity provider.

Note 2: Our intensity data presented is divided by the total number of the full-time employees ("FTE") in the core operations.

Note 3: The emission factors are 0.66 kg CO_2 for the calculation for 2024 (2023: 0.68 kg CO_2) per unit for electricity supplied by HK Electric.

Note 4: The paper wasted was calculated by usage of the Reporting Period as the paper would be disposed at landfills finally.

Use of Resources

In the office operation, paper can inevitably be used. We try our best to preserve the scarce resources by encouraging our employees to adopt the double-sided printing, reuse the single-sided paper and recycle the paper waste by licensed collector. Water is consumed in the daily operation of the Company with the use of faucets in the pantry and washrooms. Although the consumption is small, we implement measures such as premise checking of the pipe leakage to responsibly use the water.

Energy

Electricity remains the primary source of indirect energy consumption for the Company, supporting daily business operations in our offices through indoor lighting, air-conditioning, and the functioning of office equipment. As an investment company with office-based operations, we recognize the importance of energy efficiency in reducing our environmental impact and promoting sustainable practices.

Energy Efficiency Initiatives

To enhance energy efficiency and sustainability, we have implemented several measures during the Reporting Period:

Equipment Optimization:

- We continue to maximize the lifespan of computer equipment by refurbishing and redeploying assets internally whenever feasible.
- In response to increasing reliance on digital tools, we prioritize energy-efficient hardware and software that meet recognized energy efficiency standards.

Air-Conditioning Policy:

- We maintain a 25-degree Celsius air-conditioning policy to minimize energy consumption while ensuring a comfortable working environment.
- Employees are encouraged to turn off air-conditioners when meeting rooms or workspaces are unoccupied.

Employee Awareness Campaigns:

- Employees are reminded to reduce standby time for office equipment by turning off devices when not in use.
- Posters and reminders are placed in common areas to encourage energy-saving behaviors.

Environmental, Social and Governance Report

Performance Metrics

During the Reporting Period, total electricity consumption increased slightly to 4,924 kWh (2023: 4,794 kWh) due to expanded digital operations. Energy intensity per employee rose to 492.40 kWh/FTE (2023: 399.50 kWh/FTE), primarily due to a reduction in full-time employees (FTE) from 12 in 2023 to 10 in 2024.

Water

Water usage is limited to basic office needs such as pantry and washroom facilities. Given the nature of our business and the small number of employees, our water consumption remains immaterial. Nevertheless, we are committed to responsible water management as part of our broader sustainability efforts.

Water Usage Practices

Centralized Supply System:

- Water is supplied through a centralized system managed by the building's property management team.
- The cost of water consumption is included in the monthly building management fee, and individual tenant water usage is not metered separately.

Employee Awareness:

- Employees are encouraged to turn off taps after use and avoid unnecessary water wastage.
- Awareness posters in pantry and washroom areas remind employees about responsible water use.

No issues were reported regarding the sourcing or quality of water as the water was supplied by the municipal water system.

Packaging Material

The Company does not involve consumption of packaging materials or packaging material-related businesses. Therefore, no packaging materials have been consumed during the Reporting Period.

Hazardous Waste and Non-hazardous Waste

The Company’s business activities do not generate any hazardous waste and do not have any direct and significant impact on the environment and natural resources in the course of its operation.

The major non-hazardous waste generated was paper printing. The management of the Company believed that the impact of non-hazardous waste arose from the wastepaper is insignificant. During the Reporting Period, the paper usage was 71.88 kg (2023: 71.32 kg) with 14,376 pieces of paper (2023: 14,265 pieces). There was slightly increase of non-hazardous waste was due to the slightly increase of paper usage.

Environmental, Social and Governance Report

Waste Reduction Measures

To minimize the environmental impact of non-hazardous waste, we remain committed to implementing measures based on the principles of 4Rs: Reduce, Reuse, Recycle, and Replace. These initiatives include:

1. *Reuse Practices:*

    - Employees are encouraged to reuse envelopes, folders, file cards, and other stationery items whenever possible.

    - Single-sided printed paper is repurposed for internal drafts or note-taking before being recycled.

2. *Green Procurement:*

    - We prioritize purchasing office consumables made from recycled materials with minimal packaging.

    - Rechargeable batteries are used instead of disposable ones to reduce waste generation.

3. *Recycling Program:*

    - Dedicated recycling bins are placed in office areas for collecting paper and other recyclable materials.

    - Used paper is collected and sent to licensed recycling vendors for proper disposal.

4. *Digital Transformation:*

    - We continue to promote digital workflows and electronic document management systems to reduce reliance on printed materials.

Emission and Use of Resources Target

We are committed to reducing the environmental impact of our operations by addressing indirect emissions and optimizing resource consumption. As our emissions primarily arise from electricity usage, paper consumption, and employee travel, we have set directional improvement targets to reduce the total quantity and intensity of these indirect emission sources. These targets align with our broader ESG goals of promoting sustainability and resource efficiency. During the Reporting Period, the decrease in the number of employees resulted in an increase in intensity of air emission and usage of resources, the target of the last reporting period was not achieved. The Company will continue to perform the reduction measures to achieve the target.

Environmental, Social and Governance Report

Emission Reduction Measures

To achieve our emission reduction targets, we have implemented the following measures:

1. *Energy Efficiency:*

    - Switching off unused office equipment and appliances to minimize energy wastage.
    - Utilizing energy-efficient lighting systems such as LED bulbs.
    - Optimizing air-conditioning temperature control to maintain a comfortable environment while reducing energy consumption.
    - Regularly replacing outdated computers and other office equipment with energy-efficient models.

2. *Heat Control:*

    - Installing blinds on windows to reduce solar heat gain in air-conditioned areas, thereby lowering the need for excessive cooling.

Resource Optimization Measures

In addition to emission reduction, we focus on efficient use of resources through the following initiatives:

1. *Paper Usage:*

    - Encouraging double-sided printing to reduce paper consumption.
    - Recycling and reusing paper wherever possible.
    - Transitioning non-essential items to electronic formats instead of printing.
    - Shredding and recycling documents that are no longer in use.

2. *Water Conservation:*

    - While water consumption is minimal, employees are encouraged to avoid unnecessary water usage.

3. *Travel Reduction:*

    - Promoting conference calls and virtual meetings as alternatives to face-to-face meetings, reducing travel-related emissions.

Environmental, Social and Governance Report

Commitment to Sustainability

The Company is dedicated to maintaining these measures while exploring additional eco-friendly initiatives in the future. By continuously improving our practices, we aim to achieve meaningful reductions in emissions and resource intensity, contributing positively to environmental sustainability while supporting operational efficiency.

The Environment and Natural Resources

As the expectations on corporate responsibility increase, sustainability is a business approach to creating long term value to the Group by committing to control its emissions as well as documenting its consumption of resources. The Company's business nature and operations are mainly taken place indoor, and the business is not involved in production-related air, water and land pollutions which are regulated under related environmental laws and regulations, the impact of the Group's activities towards the environment and natural resources is comparatively low.

Climate Change Risk Management

We recognize that climate change poses significant risks and opportunities for businesses globally. As an investment company, we are committed to identifying, assessing, and managing the potential impacts of climate change on our operations and investment portfolio. By integrating climate-related considerations into our risk management framework, we aim to enhance our resilience and contribute to a sustainable future.

Climate Risk Assessment Framework

Step	Description
Identification of Risks	– Conduct materiality assessments to identify key climate-related risks relevant to our operations and investment portfolio. – Engage with stakeholders such as regulators, investors, and investee companies to understand emerging climate challenges.
Scenario Analysis	– Use scenario analysis to evaluate the potential impacts of various climate futures on our business. – Assess both physical risks (e.g., extreme weather events) and transition risks (e.g., regulatory changes) under different temperature rise pathways.
Integration into Risk Management	– Embed climate-related risks into our overall risk management framework. – Regularly monitor the resilience of our investment portfolio against identified risks through ongoing reviews.

Environmental, Social and Governance Report

Climate Change Risk Analysis

Category	Description	Potential Impact on Our Business	Mitigation Measures
Physical Risks	Risks arising from the physical effects of climate change, including acute and chronic risks.	– Disruption to business operations due to extreme weather events (e.g., typhoons, floods, heatwaves). – Potential impact on the financial performance of investee companies operating in vulnerable regions.	– Conducting scenario analysis to assess exposure to extreme weather events. – Supporting investee companies in enhancing their climate resilience.
Transition Risks	Risks associated with the transition to a low-carbon economy, including regulatory, technological, and market changes.	– Increased compliance costs due to new carbon pricing or emission regulations. – Market shifts toward sustainable products and services affecting investee companies in traditional industries.	– Prioritizing investments in companies with strong ESG practices. – Monitoring regulatory developments and adjusting investment strategies accordingly.
Liability Risks	Legal or reputational risks arising from non-compliance with climate-related regulations or stakeholder expectations.	– Reputational damage due to inadequate climate-related disclosures. – Potential legal liabilities for investee companies failing to meet environmental standards.	– Ensuring compliance with emerging climate-related regulations. – Encouraging investee companies to enhance transparency in their ESG reporting.

Opportunities from Climate Change

In addition to managing risks, we recognize that climate change presents opportunities for value creation:

- Investing in sectors that support the transition to a low-carbon economy, such as renewable energy, energy efficiency technologies, and sustainable infrastructure.

- Identifying companies that are innovating solutions for climate adaptation and mitigation.

Future Focus Areas

Looking ahead, the Company is committed to enhancing its approach to managing climate-related risks by:

- Conducting more detailed scenario analyses to better understand potential financial impacts under extreme climate scenarios.

- Setting measurable targets for reducing portfolio exposure to high-risk sectors while increasing investments in sustainable industries.

- Expanding disclosures on climate-related metrics.

By proactively addressing climate change risks and opportunities, the Company aims to build a resilient business model that supports long-term value creation for stakeholders while contributing positively to global sustainability goals.

Environmental, Social and Governance Report

HKEX ESG REPORTING GUIDE CONTENT INDEX

A. Environmental	Description	Reference Section
Aspect: A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	ENVIRONMENT
KPI A1.1	The types of emissions and respective emissions data.	Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste and Non-hazardous Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste and Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emission and Use of Resources Target
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste and Non-hazardous Waste
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources

Environmental, Social and Governance Report

A. Environmental	Description	Reference Section
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water
KPI A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	Energy Emission and Use of Resources Target
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Emission and Use of Resources Target
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Risk Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Risk Management

Environmental, Social and Governance Report

B. Social	Description	Reference Section
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	OUR HUMAN CAPITAL APPROACH
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Profile
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health, Safety and Wellbeing
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health, Safety and Wellbeing
KPI B2.2	Lost days due to work injury.	Health, Safety and Wellbeing
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health, Safety and Wellbeing

Environmental, Social and Governance Report

B. Social	Description	Reference Section
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development in Support of Sustainable Growth
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development in Support of Sustainable Growth
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development in Support of Sustainable Growth
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment Practices and Compliance
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prevention of Child and Forced Labor
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Prevention of Child and Forced Labour

Environmental, Social and Governance Report

B. Social	Description	Reference Section
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	SUPPLIER ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	Supplier Assessment
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	SUPPLIER ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUPPLIER ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUPPLIER ENGAGEMENT AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	PRODUCT RESPONSIBILITY Privacy Protection and Data Governance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A
KPI B6.4	Description of quality assurance process and recall procedures.	N/A

Environmental, Social and Governance Report

B. Social	Description	Reference Section
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Whistleblowing System
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY INVESTMENT

Independent Auditor's Report

LIF & WONG CPA LIMITED
理 賢 薈 會 計 師 事 務 所 有 限 公 司

TO THE SHAREHOLDERS OF
CHINA SCI-TECH INDUSTRIAL INVESTMENT GROUP LIMITED
(formerly known as Core Economy Investment Group Limited)
(Continued into Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Sci-Tech Industrial Investment Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 90 to 136, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, the Group reported a net loss of HK$8,054,095 and net operating cash outflow of HK$6,081,865 for the year ended 31 December 2024 and as of that date, the Group recorded net current liabilities of HK$1,854,663 and net liabilities of HK$742,061. As at 31 December 2024, the Group's current liabilities included directors' loans, accruals and other payables and lease liability of HK$3,600,000, HK$3,127,679 and HK$1,091,664, respectively, which are repayable within one year from the end of the reporting period, while the Group's cash and cash equivalents as of that date amounted to HK$354,521 only. As stated in note 2, these conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value measurement of financial assets at fair value through profit or loss ("FVTPL")

Refer to notes 10 and 20 to the consolidated financial statements.

As at 31 December 2024, the Group held listed equity securities of HK$5,170,700 which were classified as financial assets at FVTPL; with HK$1,051,920 net change in fair value of financial assets at FVTPL recognised for the year then ended. The fair values of listed equity securities are based on quoted market price in active market.

Due to the significance of financial assets at FVTPL to the Group's total assets and net change in fair value of financial assets at FVTPL to the Group's results, the fair value measurement of financial assets at FVTPL is identified as a key audit matter.

Our procedures to assess the fair value of financial assets at FVTPL include:

- Assessing management's evaluation in relation to the classification of financial assets based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets;

- Obtaining supporting evidences for the quantity of financial assets at FVTPL held by the Group;

- Comparing the fair value of financial assets at FVTPL to external third party sources at the measurement date;

- Checking the arithmetical accuracy on computations of the fair value of financial assets at FVTPL and recalculating the net change in fair value of financial assets at FVTPL;

- Assessing the reasonableness of active market by evaluating the transaction frequency and volume of each listed equity securities; and

- Evaluating the adequacy of disclosure in the consolidated financial statements.

Based on the results of the procedures performed, we found management's classification and fair value measurement on financial assets at FVTPL were supported by the available evidence.

Independent Auditor's Report

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES 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 HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor report is Mr. Wong Wah.

LIF & Wong CPA Limited
Certified Public Accountants
Wong Wah
Practising Certificate no. P06516

Hong Kong, 31 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	**2024** **HK$**	2023 HK$
Revenue	8	**82,817**	226,592
Other income	9	**–**	185,333
Net change in fair value of financial assets at fair value through profit or loss	10	**1,051,920**	660,852
Administrative and other operating expenses		**(9,074,414)**	(8,348,478)
Finance costs	11	**(114,418)**	(85,018)
Loss before income tax expense	12	**(8,054,095)**	(7,360,719)
Income tax expense	13	**–**	–
Loss for the year attributable to owners of the Company		**(8,054,095)**	(7,360,719)
Other comprehensive loss for the year, net of tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,084**	(489)
Total comprehensive loss for the year attributable to owners of the Company		**(8,052,011)**	(7,361,208)
Loss per share			
– Basic and diluted	17	**(0.028)**	(0.030)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	**2024** **HK$**	2023 HK$
Non-current assets			
Property, plant and equipment	18	**16,690**	144,240
Right-of-use asset	19	**2,205,070**	22,463
Refundable rental deposit		**349,342**	403,129
		2,571,102	569,832
Current assets			
Financial assets at fair value through profit or loss	20	**5,170,700**	5,981,920
Dividend receivable		**–**	31,418
Prepayments, deposits and other receivables		**439,459**	396,015
Cash and cash equivalents		**354,521**	7,021,796
		5,964,680	13,431,149
Current liabilities			
Accruals and other payables		**3,127,679**	3,365,146
Directors' loans	21	**3,600,000**	3,000,000
Lease liability	22	**1,091,664**	25,885
		7,819,343	6,391,031
Net current (liabilities)/assets		**(1,854,663)**	7,040,118
Total assets less current liabilities		**716,439**	7,609,950
Non-current liabilities			
Lease liability	22	**1,158,500**	–
Provision	23	**300,000**	300,000
		1,458,500	300,000
NET (LIABILITIES)/ASSETS		**(742,061)**	7,309,950
Equity attributable to owners of the Company			
Share capital	24	**5,760,000**	5,760,000
Reserves	26	**(6,502,061)**	1,549,950
TOTAL (DEFICITS)/EQUITY		**(742,061)**	7,309,950

Approved by the Board of Directors on 31 March 2025 and are signed on its behalf by:

SUN Bo
Executive Director

WANG Daming
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital HK$ (note 24)	Share premium HK$ (note 26b(i))	Contributed surplus HK$ (note 26b(ii))	Exchange reserve HK$ (note 26b(iii))	Accumulated losses HK$	Total HK$
At 1 January 2023	4,809,600	72,344,942	28,040,011	(441)	(97,543,428)	7,650,684
Loss for the year	–	–	–	–	(7,360,719)	(7,360,719)
Other comprehensive loss for the year:						
Exchange differences arising on translation of foreign operations	–	–	–	(489)	–	(489)
Total comprehensive loss for the year	–	–	–	(489)	(7,360,719)	(7,361,208)
Transactions with owners in their capacity as owners:						
Issue of ordinary shares, net of transaction costs (note 24(a))	950,400	6,070,074	–	–	–	7,020,474
At 31 December 2023 and 1 January 2024	5,760,000	78,415,016	28,040,011	(930)	(104,904,147)	7,309,950
Loss for the year	–	–	–	–	(8,054,095)	(8,054,095)
Other comprehensive loss for the year:						
Exchange differences arising on translation of foreign operations	–	–	–	2,084	–	2,084
Total comprehensive loss for the year	–	–	–	2,084	(8,054,095)	(8,052,011)
At 31 December 2024	**5,760,000**	**78,415,016**	**28,040,011**	**1,154**	**(112,958,242)**	**(742,061)**

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$	2023 HK$
Cash flows from operating activities			
Loss before income tax expenses		**(8,054,095)**	(7,360,719)
Adjustments for:			
Depreciation of property, plant and equipment	12	**148,129**	195,643
Depreciation of right-of-use asset	12	**1,094,169**	1,193,764
Finance costs	11	**114,418**	85,018
Bank and other interest income	8	**(5,184)**	(1,762)
Dividend income	8	**(77,633)**	(224,830)
Net change in fair value on financial assets at fair value through profit or loss	10	**(1,051,920)**	(660,852)
Waiver of accrued director's remuneration	9	**–**	(185,333)
Operation loss before working capital changes		**(7,832,116)**	(6,959,071)
Decrease in refundable rental deposit		**53,787**	–
Increase in prepayments, deposits and other receivables		**(43,444)**	(66,178)
(Decrease)/increase in accruals and other payables		**(237,467)**	1,804,646
Decrease in financial assets at fair value through profit or loss		**1,863,140**	6,092,273
Cash (used in)/generated from operations		**(6,196,100)**	871,670
Bank and other interest income received		**5,184**	1,762
Dividend income received		**109,051**	193,412
Net cash (used in)/generated from operating activities		**(6,081,865)**	1,066,844
Cash flows used in investing activities			
Acquisition of property, plant and equipment		**(20,579)**	–
Net cash used in investing activities		**(20,579)**	–
Cash flows from financing activities			
Proceeds from director's loans	21	**600,000**	–
Interest on lease liability	11	**(114,418)**	(85,018)
Proceeds from issue of shares	24(a)	**–**	7,128,000
Share issue transaction costs	24(a)	**–**	(107,526)
Principal elements of lease liability		**(1,052,497)**	(1,303,657)
Net cash (used in)/generated from financing activities		**(566,915)**	5,631,799
Net (decrease)/increase in cash and cash equivalents		**(6,669,359)**	6,698,643
Effect of foreign exchange rate changes		**2,084**	(489)
Cash and cash equivalents at 1 January		**7,021,796**	323,642
Cash and cash equivalents at 31 December			
Representing cash and cash equivalents		**354,521**	7,021,796

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

China Sci-Tech Industrial Investment Group Limited (the "Company") was continued into Bermuda as an exempted company with limited liability under Bermuda Companies Act 1981. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The address of its principal place of business is Room 1805, 18th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Chapter 21 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Pursuant to a special resolution at the annual general meeting of the Company held on 28 May 2024, the Company changed its English name from "Core Economy Investment Group Limited" to "China Sci-Tech Industrial Investment Group Limited" and "中國科創產業投資集團有限公司" has been adopted as the Chinese secondary name of the Company to replace its existing Chinese secondary name of "核心經濟投資集團有限公司" on 19 June 2024.

The Company acts as an investment holding company and its principal activities are investment and trading of listed and unlisted securities. The Company and its subsidiaries are collectively referred to as the Group (the "Group").

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "HKFRS Accounting Standards") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). In addition, the consolidated financial statements also comply with the applicable disclosure requirements of the Listing Rules.

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss ("FVTPL"), which have been measured at fair value as explained in the accounting policy set out below.

These consolidated financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the consolidated financial statements provide 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.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

2. BASIS OF PREPARATION (Continued)

Basis of Going Concern

During the year ended 31 December 2024, the Group recorded a net loss of HK$8,054,095 and net operating cash outflow of HK$6,081,865 and as of that date, the Group recorded net current liabilities of HK$1,854,663 and net liabilities of HK$742,061. As at 31 December 2024, the Group's current liabilities included directors' loans, accruals and other payables and lease liability of HK$3,600,000, HK$3,127,679 and HK$1,091,664 respectively, which are repayable within one year from the end of the reporting period, while the Group's cash and cash equivalents as of that date amounted to HK$354,521 only. These conditions may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have given careful consideration to the future liquidity, operating performance and available sources of financing in assessing the Group's ability to continue as a going concern. The following plans and measures are implemented or formulated to mitigate the liquidity pressure and improve the financial position of the Group:

(a) In February 2025, Mr. SUN Bo and Mr. YANG Zhicheng, directors of the Company, had waived the repayments of their directors' loans as at 31 December 2024 of HK$3,300,000 and HK$300,000 respectively ("Waiver of Directors' Loans").

(b) In February 2025, Mr. SUN Bo and Mr. YANG Zhicheng, directors of the Company, had waived the amounts of accrued directors' remuneration due to them as at 31 December 2024 of HK$1,828,500 and HK$144,194 respectively ("Waiver of Accrued Directors' Remuneration"), and agreed to forgo their directors' remuneration from 1 January 2025 to 30 June 2026. The management accounts of the Group subsequent to the end of the reporting period reflects a net current assets and net assets position following the Waiver of Directors' Loans and Waiver of Accrued Directors' Remuneration mentioned above.

(c) Subsequent to the end of the reporting period, additional loans from directors in aggregate of HK$1,000,000 were obtained as working capital of the Group. The loans were unsecured, interest free and repayable on 31 December 2027.

(d) To enhance the liquidity of the Group through equity financing arrangement. On 28 February 2025, the Company and Cheer Union Securities Limited entered into a placing agreement in respect of the placement of 57,000,000 ordinary shares of HK$0.02 each (the "New Placing Agreement") to independent investors at a price of HK$0.17 each. The New Placing Agreement lapsed on 21 March 2025 and the Group will also continuously seek opportunity for the placing of new shares at optimal price.

(e) To enhance the liquidity of the Group through disposal of its investments in listed equity securities.

(f) The shareholders who are also directors of the Company, have confirmed to provide continuous financial support to the Group for a period of at least twelve months from the end of reporting date to enable the Group to continue as a going concern.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

2. BASIS OF PREPARATION (Continued)

Basis of Going Concern (Continued)

In the opinion of the directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligation as and when they fall due in the foreseeable future, based on the cash flow forecasts of the Group covering a period of twelve months from the reporting date and after taking into account of the above plans and measures. Nevertheless, the validity of the use of the going concern basis of accounting is dependent on the outcome of these plans and measures, including (i) the successful completion of equity financing arrangement; (ii) proceeds to be received from disposal of investments in listed equity securities; and (iii) the validity of financial support from the shareholders. The above conditions and matters indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue to operate the business as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Application of new or amended HKFRS Accounting Standards

The HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

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

None of these developments have a material effect on the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new or amended HKFRS Accounting Standards, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual/reporting periods beginning on or after 1 January 2027.
4 Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of assessing potential impact of the new standards and amendments. According to the preliminary assessment, these new standards and amendments are not expected to have significant impact on the Group's consolidated financial statements when they become effective, except HKFRS 18, which may mainly impact the presentation of the Group's consolidated statement of profit or loss and other comprehensive income and the Group will continue to assess the impact.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any.

(b) 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 and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group 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 foreign currency 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 foreign currency 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.

(c) Property, plant and equipment

Property, plant and equipment held for administrative purposes 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. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or valuation net of expected residual values over the estimated useful lives on a straight-line basis. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period. The depreciation rates are as follows:

Office equipment	25%
Furniture and fixtures	20%
Computer equipment	25%
Leasehold improvement	Over the remaining life of the leases
Motor vehicle	20%

An asset is written down immediately to its recoverable amount, if its carrying amount is higher than the asset's estimated recoverable amount.

(d) Leases

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.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Leases (Continued)

The Group as a lessee **(Continued)**

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use asset in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use asset.

The lease liability is remeasured when there is a change in future lease payments arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use asset and lease liability separately in the consolidated statement of financial position.

(e) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group 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.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Recognition and derecognition of financial instruments (Continued)

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) 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.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(g) Other receivables

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) 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.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability under HKFRS Accounting Standards.

(j) Other payables

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.

(k) Revenue recognition

Income is classified by the Group as revenue when it arises from the ordinary course of the Group's business.

(i) Dividend income from investments in listed equity securities is recognised when the share price of the investment goes ex-dividend.

(ii) Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. Non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(l) Employee benefits

(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, if applicable.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Employee benefits (Continued)

(ii) Pension obligations

The Group participates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance for all eligible employees (the "MPF Scheme"). Contributions to the MPF Scheme are in accordance with the statutory limits prescribed by the Mandatory Provident Fund Schemes Ordinance. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at the lower of 5% of employees' relevant income or HK$1,500 each month. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Accordingly, the Group's contributions under the MPF Scheme had no forfeited contributions which may be used to reduce the existing level of contributions. Assets of the MPF Scheme are held separately from those of the Group and are independently administered and are not included in the consolidated statement of financial position of the Group.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(m) 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 reporting period.

Deferred tax is recognised on 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 and deferred tax assets are recognised 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 the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use asset and the related lease liability, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liability.

For leasing transactions in which the tax deductions are attributable to the lease liability, the Group applies HKAS 12 “Income Taxes” requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date 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 and other comprehensive income 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 cash-generating unit 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 cash-generating unit.

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

Impairment losses for cash-generating units are allocated pro-rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that no impairment loss has been recognised for the asset in prior years.

(o) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for the financial instruments when there has been a significant increase in credit risk since initial recognition. 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.

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 reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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 reporting date 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.

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.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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

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 reporting date. 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.

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).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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, 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.

Measurement and recognition of ECL

The measurement of 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, this is represented by the financial assets' gross carrying amount at the reporting date and other relevant forward-looking information.

The ECL for financial assets 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.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

Measurement and recognition of ECL **(Continued)**

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 and does not reduce the carrying amount of the financial assets.

(p) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

(q) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

(r) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL JUDGEMENT AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 4 to the consolidated financial statements, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

5. CRITICAL JUDGEMENT AND ESTIMATES (Continued)

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.

5.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern assumption

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation of plans and measures as detailed in note 2 to the consolidated financial statements.

5.2 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.

Impairment of property, plant and equipment and right-of-use asset

The Group assesses whether there are any indicators of impairment for its property, plant and equipment and right-of-use asset at the end of each reporting period. Property, plant and equipment and right-of-use asset are tested for impairment when there are indicators that the carrying amount may not be recoverable. The impairment amount of the property, plant and equipment and right-of-use asset has been determined based on fair value less cost of disposal. Key assumptions used by management for assessing the fair value less cost of disposal included (i) the selling price for similar plant and equipment, adjusted for age and adjusted costs of disposal; and (ii) the market rent for similar properties and adjusted costs of sublet.

The carrying amounts of property, plant and equipment and right-of-use asset are disclosed in notes 18 and 19 to the consolidated financial statements respectively.

Estimated useful lives of property, plant and equipment

In assessing the estimated useful lives of the property, plant and equipment, the Group takes into account factors, such as the expected usage of the assets by the Group based on past experience, the technical obsolescence arising from changes or improvements in production or from a change in the market demand for the products. The estimation of the useful lives is a matter of judgement based on the experience of the Group. The carrying amount of property, plant and equipment is disclosed in note 18 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, equity price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by the management.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in Renminbi ("RMB") and United States dollars ("US$"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely.

(b) Equity price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities quoted on the relevant stock exchange.

The following table demonstrates the sensitivity to every 10% (2023: 10%) change in the fair values of the listed equity securities, with all other variables held constant, based on their carrying amounts at the end of the reporting period.

	Increase/ (Decrease) in fair value	**(Decrease)/ Increase in loss before taxation**	**Increase/ (Decrease) in deficits**
	%	HK$	HK$
2024			
Equity securities, at fair value	**10**	**(517,070)**	**(517,070)**
	(10)	**517,070**	**517,070**

	Increase/ (Decrease) in fair value	**(Decrease)/ Increase in loss before taxation**	**Increase/ (Decrease) in equity**
	%	HK$	HK$
2023			
Equity securities, at fair value	10	(598,192)	598,192
	(10)	598,192	(598,192)

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Equity price risk (Continued)

Concentration of risk

For equity securities investment, concentration of equity price risk may arise if the Group has a significant investment in a single equity investment. At the end of the reporting period, the Group has three (2023: three) equity investments which account for more than 5% of the total assets of the Group. Details are as follow.

	% of total assets of the Group
2024	
Alibaba Group Holding Limited	**24.13%**
Tencent Holdings Limited	**21.98%**
DT Capital Limited	**11.79%**
2023	
Alibaba Group Holding Limited	17.44%
Tencent Holdings Limited	15.73%
DT Capital Limited	7.43%

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk arises from cash and cash equivalents and other financial instruments. The maximum exposure at the end of the reporting period is the carrying amount of these assets.

Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions, for which the Group considers have low credit risk.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Other financial instruments

Financial assets at amortised cost include deposits, other receivables and dividend receivable. All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance, if any, recognised during the period was therefore limited to 12-month expected losses. Financial instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(d) 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 longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	On demand or less than 1 year HK$	Between 1 and 2 years HK$	Total HK$
At 31 December 2024			
Accruals and other payables	**3,127,679**	**–**	**3,127,679**
Directors' loans	**3,600,000**	**–**	**3,600,000**
Lease liability	**1,162,662**	**1,184,540**	**2,347,202**
	7,890,341	**1,184,540**	**9,074,881**
At 31 December 2023			
Accruals and other payables	3,365,146	–	3,365,146
Director's loans	3,000,000	–	3,000,000
Lease liability	26,131	–	26,131
	6,391,277	–	6,391,277

6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits. These deposits bear interest at variable rates varied with the prevailing market condition. The effect from changes in interest rates is considered not significant to the consolidated financial statements.

(f) Categories of financial instruments at 31 December

	2024 **HK$**	2023 HK$
Financial assets:		
Financial assets at FVTPL	**5,170,700**	5,981,920
Financial assets measured at amortised cost:		
Dividend receivable	**–**	31,418
Deposits and other receivables	**352,342**	409,318
Cash and cash equivalents	**354,521**	7,021,796
	706,863	7,462,532
Financial liabilities:		
Financial liabilities measured at amortised cost:		
Accruals and other payables	**3,127,679**	3,365,146
Directors's loans	**3,600,000**	3,000,000
Lease liability	**2,250,164**	25,885
	8,977,843	6,391,031

(g) Fair values

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

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 values hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2: Fair value measured based on valuation techniques using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs; or

Level 3: Fair value measured based on valuation techniques using significant unobservable inputs (i.e. not derived from market data).

The fair value of the Group's financial assets traded in active markets is based on quoted market prices for identical items at the end of the reporting period. An active market represents a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide information on an ongoing basis. These financial assets of listed equity securities are included in Level 1 of fair value measurements.

The following table presents the Group's financial assets at FVTPL measured and recognised at fair value at 31 December 2024 and 31 December 2023 on recurring basis:

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
At 31 December 2024				
Financial assets at FVTPL				
– Listed equity securities	**5,170,700**	**–**	**–**	**5,170,700**
At 31 December 2023				
Financial assets at FVTPL				
– Listed equity securities	5,981,920	–	–	5,981,920

There were no transfers between the levels of the fair value hierarchy for the years ended 31 December 2024 and 2023.

For financial assets at fair value through profit or loss, the total gains or losses recognised, including those for assets held at the end of reporting period, are presented in profit or loss in "net change in fair value of financial assets at fair value through profit or loss".

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to short-term maturities.

8. REVENUE AND SEGMENT INFORMATION

	2024 **HK$**	2023 HK$
Dividend income from listed equity investments	**77,633**	224,830
Bank interest income	**207**	175
Other interest income	**4,977**	1,587
Revenue	**82,817**	226,592
Proceeds from disposals of financial assets at FVTPL	**1,863,140**	6,259,111

No segment information is presented as all of the revenue contribute to operating results and assets and liabilities of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

9. OTHER INCOME

	2024 **HK$**	2023 HK$
Waiver of accrued director's remuneration (note 15(a))	**–**	185,333

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 **HK$**	2023 HK$
Net realised losses on disposals of financial assets at FVTPL	**(1,361,132)**	(3,803,351)
Net unrealised gains on financial assets at FVTPL	**2,413,052**	4,464,203
	1,051,920	660,852

11. FINANCE COSTS

	2024 **HK$**	2023 HK$
Interest expense on lease liability (note 19)	**114,418**	85,018

12. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax expense is stated after charging the following:

	2024 **HK$**	2023 HK$
Auditor's remuneration		
– Audit services	**230,000**	230,000
– Non-audit services	**70,000**	70,000
Depreciation:		
– Property, plant and equipment (note 18)	**148,129**	195,643
– Right-of-use asset (note 19)	**1,094,169**	1,193,764
Employee benefits expense (note 14)	**4,521,000**	4,918,646

13. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is made since the Group has no assessable profit for the year (2023: Nil).

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of loss before income tax expense multiplied by the Hong Kong Profits Tax rate is as follows:

	2024 **HK$**	2023 HK$
Loss before income tax expense	**(8,054,095)**	(7,360,719)
Tax at Hong Kong Profits Tax rate of 16.5% (2023:16.5%)	**(1,328,926)**	(1,214,518)
Tax effect of income that is not taxable	**(413,362)**	(774,885)
Tax effect of expenses that are not deductible	**281,048**	90,363
Tax effect of temporary differences not recognised	**21,668**	29,950
Tax effect of tax losses not recognised	**1,493,939**	1,867,487
Effect of different tax rates of subsidiaries	**(54,367)**	1,603
Income tax expense	**–**	–

As at 31 December 2024, the Group has following unused tax losses and deductible temporary differences:

	2024 **HK$**	2023 HK$
Tax losses	**122,091,318**	113,037,134
Unrealised losses from financial assets at FVTPL, equity investments listed in Hong Kong	**4,576,933**	6,989,985
	126,668,251	120,027,119

The resulting potential deferred tax assets amounting to HK$20,900,261 (2023: HK$19,804,475) have not been recognised in respect of the above items due to the unpredictability of future profit streams. The tax losses are subject to the review of Hong Kong Inland Revenue Department and may be carried forward indefinitely.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. EMPLOYEE BENEFITS EXPENSE

	2024	2023
	HK$	HK$
Employee benefits expense including directors' emoluments:		
Basic salaries, fees and allowances	**4,352,000**	4,692,646
Discretionary bonus	**103,000**	138,000
Retirement benefit scheme contributions	**66,000**	88,000
	4,521,000	4,918,646

Five highest paid individuals

The five individuals with the highest emoluments in the Group, included one director and the chief executive officer (2023: one director) whose emoluments are reflected in the analysis presented in note 15. The emoluments of the remaining three (2023: four) individuals are set out below:

	2024	2023
	HK$	HK$
Basic salaries and allowances	**1,376,000**	1,856,000
Discretionary bonus	**103,000**	138,000
Retirement benefit scheme contributions	**42,000**	64,000
	1,521,000	2,058,000

The emoluments fell within the following band:

	Number of individuals	
	2024	2023
Nil to HK$1,000,000	**3**	4

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

15. BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

(a) Directors' and chief executive officer's emoluments

The remuneration of each director and chief executive officer, on a name basis, for the years ended 31 December 2024 and 2023 are set out below:

	Fees HK$	Salaries HK$	Employer's contribution to a retirement benefit scheme HK$	Total HK$
Executive Directors				
Mr. SUN Bo^	**2,016,000**	**–**	**18,000**	**2,034,000**
Mr. WANG Daming	**120,000**	**–**	**–**	**120,000**
Non-executive Directors				
Mr. YANG Zhicheng^	**120,000**	**–**	**–**	**120,000**
Mr. HE Yu	**120,000**	**–**	**–**	**120,000**
Ms. YAN Jia	**120,000**	**–**	**–**	**120,000**
Independent Non-executive Directors				
Mr. MOK Ho Ming	**120,000**	**–**	**–**	**120,000**
Mr. WONG Yan Wai, George	**120,000**	**–**	**–**	**120,000**
Mr. CHEN Ming	**120,000**	**–**	**–**	**120,000**
Chief Executive Officer				
Mr. ZHANG Yufei (Note (iv))	**–**	**120,000**	**6,000**	**126,000**
Total for 2024	**2,856,000**	**120,000**	**24,000**	**3,000,000**
Executive Directors				
Mr. SUN Bo	2,016,000	–	18,000	2,034,000
Mr. WANG Daming	120,000	–	–	120,000
Non-executive Directors				
Mr. HE Yu	120,000	–	–	120,000
Ms. LIU Li (Note (i))	–*	–	–	–
Ms. YAN Jia (Note (ii))	76,452	–	–	76,452
Mr. YANG Zhicheng (Note (iii))	24,194	–	–	24,194
Independent Non-executive Directors				
Mr. MOK Ho Ming	120,000	–	–	120,000
Mr. WONG Yan Wai, George	120,000	–	–	120,000
Mr. CHEN Ming	120,000	–	–	120,000
Chief Executive Officer				
Mr. ZHANG Yufei	–	120,000	6,000	126,000
Total for 2023	2,716,646	120,000	24,000	2,860,646

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

15. BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(a) Directors' and chief executive officer's emoluments (Continued)

Notes:

(i) Ms. LIU Li has been resigned as a non-executive director on 12 May 2023

(ii) Ms. YAN Jia has been appointed as a non-executive director on 12 May 2023

(iii) Mr. YANG Zhicheng has been appointed as a non-executive director on 19 October 2023

(iv) Mr. ZHANG Yufei has been resigned as chief executive officer of the Company on 31 December 2024

* On 12 May 2023, Ms. LIU Li had waived the director's fee of HK$229,204, being the director emoluments for acting as a non-executive Director of the Company from 15 June 2021 to 12 May 2023. Of this waived amount, HK$185,333, which pertains to the director's fee for the period from 15 June 2021 to 31 December 2022, was recognised as other income for the year ended 31 December 2023.

^ Subsequent to the end of the reporting period and in February 2025, Mr. SUN Bo and Mr. YANG Zhicheng, directors of the Company, had waived the amounts of accrued directors' remuneration due to them as at 31 December 2024 of HK$1,828,500 and HK$144,194 respectively.

Save as disclosed above, neither the chief executive officer nor any of the directors waived or agreed to waive any emoluments during the year (2023: Nil).

(b) Directors' material interests in transactions, arrangements and contracts

No significant transactions, arrangements and 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 (2023: Nil).

16. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2024 (2023: Nil).

17. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK$8,054,095 (2023: HK$7,360,719) and the weighted average number of 288,000,000 (2023: 245,427,288) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31 December 2024 and 2023 is the same as the basic loss per share as the Company had no potential ordinary shares during the years ended 31 December 2024 and 2023.

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For the year ended 31 December 2024

18. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$	Furniture & fixtures HK$	Computer equipment HK$	Leasehold improvement HK$	Motor vehicle HK$	Total HK$
Cost						
At 1 January 2023, 31 December 2023 and 1 January 2024	106,324	334,476	69,527	154,200	721,199	1,385,726
Additions	–	6,280	14,299	–	–	20,579
At 31 December 2024	106,324	340,756	83,826	154,200	721,199	1,406,305
Accumulated depreciation						
At 1 January 2023	106,324	334,476	69,527	102,798	432,718	1,045,843
Charge for the year	–	–	–	51,402	144,241	195,643
At 31 December 2023 and 1 January 2024	106,324	334,476	69,527	154,200	576,959	1,241,486
Charge for the year (note 12)	–	314	3,575	–	144,240	148,129
At 31 December 2024	106,324	334,790	73,102	154,200	721,199	1,389,615
Carrying amount						
At 31 December 2024	**–**	**5,966**	**10,724**	**–**	**–**	**16,690**
At 31 December 2023	–	–	–	–	144,240	144,240

19. RIGHT-OF-USE ASSET

	HK$
At 1 January 2023	1,216,227
Depreciation	(1,193,764)
At 31 December 2023 and 1 January 2024	22,463
Additions	3,276,776
Depreciation (note 12)	(1,094,169)
At 31 December 2024	**2,205,070**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19. RIGHT-OF-USE ASSET (Continued)

	2024 HK$	2023 HK$
Depreciation expenses on right-of-use asset (note 12)	**1,094,169**	1,193,764
Interest expense on lease liability (note 11)	**114,418**	85,018

Details of total cash outflow for leases are set out in note 27(b).

The Group leases an office for its operations. The current lease contract has entered into a fixed term of 3 years with no extension option. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable and the lease liability is disclosed in note 22.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK$	2023 HK$
Equity securities at fair value		
Listed in Hong Kong	**5,170,700**	5,981,920

The carrying amounts of the above financial assets are measured at FVTPL in accordance with HKFRS 9.

The investments included above represent investments in listed equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the listed securities were based on quoted market prices at the end of the reporting period. Details of fair value measurements of equity securities are disclosed in note 7.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Particulars of the Group's financial assets at FVTPL are as follows:

At 31 December 2024

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK$	Market Value HK$	Fair value gains/ (losses) HK$	Dividend income received during the year HK$	Dividend cover	% of total assets of the Group	Net assets attributable to the Group HK$
Equity securities										
– Listed in Hong Kong:										
Alibaba Group Holding Limited ("Alibaba")	Cayman Islands	25,000	Less than 1%	5,430,263	2,060,000	(3,370,263)	52,133	4.803	24.13%	1,326,792
Tencent Holdings Limited ("Tencent")	Cayman Islands	4,500	Less than 1%	2,457,953	1,876,500	(581,453)	25,500	6.108	21.98%	503,448
DT Capital Limited ("DT Capital")	Cayman Islands	16,770,000	Less than 1%	656,871	1,006,200	349,329	–	N/A	11.79%	381,205
New Silkroad Culturaltainment Limited ("New Silkroad")	Bermuda	1,900,000	Less than 1%	1,202,546	228,000	(974,546)	–	N/A	2.67%	840,729
				9,747,633	5,170,700	(4,576,933)				

At 31 December 2023

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost HK$	Market Value HK$	Fair value gains/ (losses) HK$	Dividend income received during the year HK$	Dividend cover	% of total assets of the Group	Net assets attributable to the Group HK$
Equity securities										
– Listed in Hong Kong:										
Alibaba Group Holding Limited	Cayman Islands	32,300	Less than 1%	7,015,900	2,441,880	(4,574,020)	31,418	6.862	17.44%	1,785,510
Tencent Holdings Limited	Cayman Islands	7,500	Less than 1%	4,096,588	2,202,000	(1,894,588)	192,038	1.401	15.73%	701,027
DT Capital Limited	Cayman Islands	16,770,000	Less than 1%	656,871	1,039,740	382,869	–	N/A	7.43%	476,385
New Silkroad Culturaltainment Limited	Bermuda	1,900,000	Less than 1%	1,202,546	298,300	(904,246)	–	N/A	2.13%	855,063
				12,971,905	5,981,920	(6,989,985)				

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For the year ended 31 December 2024

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

A brief description of the business and financial information of the listed investee companies that accounted for the Group's all investments, based on their published annual and interim reports, is as follows:

(a) Alibaba is principally engaged in providing the technology infrastructure and marketing reach to its customers including retail and wholesale, logistics services and consumer service business; cloud computing; digital media and entertainment; and innovation initiatives and others. The unaudited consolidated profit attributable to owners of Alibaba for the six months ended 30 September 2024 was approximately HK$73,785,240,000 (2023: HK$68,570,601,000). As at 30 September 2024, the unaudited consolidated net asset value attributable to owners of Alibaba was approximately HK$1,011,255,893,000 (2023: HK$1,134,656,888,000). The audited consolidated profit attributable to owners of Alibaba for the year ended 31 March 2024 was approximately HK$86,255,840,000 (2023: HK$82,022,181,000). As at 31 March 2024, the audited consolidated net asset value attributable to owners of Alibaba was approximately HK$1,055,602,080,000 (2023: HK$1,067,246,109,000).

(b) Tencent is principally engaged in providing of value-added services ("VAS"), online advertising services and financial technology ("FinTech") and business services. Tencent operates through three main segments. The VAS segment is mainly involved in provision of online or mobile games, community value-added services and applications across various internet and mobile platforms. The online advertising segment is mainly engaged in display based and performance based advertisements. The FinTech and business services segment is mainly involved in provision of payment related services, cloud services and other services. The audited consolidated profit attributable to owners of Tencent for the year ended 31 December 2024 was approximately HK$210,142,244,000 (2023: HK$127,348,245,000). As at 31 December 2024, the audited consolidated net asset value attributable to owners of Tencent was approximately HK$1,032,058,235,000 (2023: HK$886,377,454,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(c) DT Capital invested in listed equity securities and unlisted debt securities for earnings growth and capital appreciation. The audited consolidated loss attributable to owners of DT Capital for the year ended 31 December 2024 was HK$12,014,389 (2023: HK$28,325,379). As at 31 December 2024, the audited consolidated net asset value attributable to owners of DT Capital was HK$62,176,632 (2023: HK$74,191,021).

(d) New Silkroad is principally engaged in the production and distribution of wine. It operates its business through four main segments, namely (i) development and operation of real estate, integrated resort and cultural tourism; (ii) production and distribution of wine; (iii) entertainment business; and (iv) property management business. The audited consolidated loss attributable to owners of New Silkroad for the year ended 31 December 2024 was approximately HK$182,117,000 (2023: HK$82,255,000). As at 31 December 2024, the audited consolidated net asset value attributable to owners of New Silkroad was approximately HK$1,419,324,000 (2023: HK$1,443,523,000).

21. DIRECTORS' LOANS

The directors' loans amounting to HK$3,000,000 were obtained from a director, Mr. SUN Bo, which were unsecured, interest free and repayable within one year. During the years ended 31 December 2023 and 2024, the Company entered into loan extension agreements with the director to extend the repayment date to 30 June 2024, 31 December 2024 and further extend to 30 June 2025, respectively, with all other terms and conditions under the original loan agreements remain unchanged.

During the year ended 31 December 2024, the Group obtained loans amounting to HK$300,000 each from directors, Mr. SUN Bo and Mr. YANG Zhicheng, which were unsecured, interest free and repayable on 30 June 2025.

The directors' loans were carried at amortised cost.

Subsequent to the end of the reporting period, Mr. SUN Bo and Mr. YANG Zhicheng, directors of the Company, had waived the repayments of their directors' loans as at 31 December 2024, details of which are set out in note 2 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

22. LEASE LIABILITY

	Minimum lease payments		Present value of minimum lease payments	
	2024	2023	**2024**	2023
	HK$	HK$	**HK$**	HK$
Within one year	**1,162,662**	26,131	**1,091,664**	25,885
Within a period of more than one year but not exceeding two years	**1,184,540**	–	**1,158,500**	–
	2,347,202	26,131	**2,250,164**	25,885
Less: Future finance charges	**(97,038)**	(246)	**N/A**	N/A
Present value of lease obligations	**2,250,164**	25,885	**2,250,164**	25,885
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,091,664)**	(25,885)
Amount due for settlement after 12 months			**1,158,500**	–

23. PROVISION

	Office premise restoration
	HK$
At as 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	300,000
Categorised as:	
– Non-current liabilities	300,000

Office premise restoration relates to the estimated cost of returning the office premise to its original state at the end of the lease in accordance with the lease terms.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

24. SHARE CAPITAL

	Note	Number of shares	Amount
			HK$
Authorised:			
Ordinary shares of HK$0.02 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024		1,000,000,000	20,000,000
Issued and fully paid:			
Ordinary shares of HK$0.02 each			
At 1 January 2023		240,480,000	4,809,600
Issue of shares	(a)	47,520,000	950,400
At 31 December 2023, 1 January 2024 and 31 December 2024		288,000,000	5,760,000

Note:

(a) On 7 November 2023, the Company and Cheer Union Securities Limited entered into a placing agreement in respect of the placement of 47,520,000 ordinary shares of HK$0.02 each (the "Placing Shares") to independent investors at a price of HK$0.15 each. The placement was completed on 24 November 2023 and the Placing Shares were issued and allotted to not less than six placees, at the placing price of HK$0.15 each. To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the placing agent, each of the placees and their respective ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as at the date of completion. The placees are professional investors and none of them has become a substantial shareholder of the Company immediately after completion. The premium on issue of shares amounting to HK$6,070,074 (net of share issue transaction costs of HK$107,526) was credited to the Company's share premium account.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The directors of the Company consider the capital comprises all components of equity.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes had been made in the objectives, policies and processes during the years ended 31 December 2024 and 2023.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares in issue.

The Group receives a report from the share registrars regularly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

25. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2024 HK$	2023 HK$
Non-current assets			
Investment in subsidiaries		**1,660**	1,660
Property, plant and equipment		**16,690**	–
Right-of-use asset		**2,205,070**	22,463
Refundable rental deposit		**349,342**	403,129
		2,572,762	427,252
Current assets			
Financial assets at fair value through profit or loss		**5,170,700**	5,981,920
Dividend receivable		**–**	31,418
Amounts due from subsidiaries		**1,647,889**	1,221,515
Prepayments and deposits		**432,762**	381,986
Cash and cash equivalents		**350,917**	7,019,662
		7,602,268	14,636,501
Current liabilities			
Accruals and other payables		**2,763,146**	3,345,146
Directors' loans		**3,600,000**	3,000,000
Lease liability		**1,091,664**	25,885
		7,454,810	6,371,031
Net current assets		**147,458**	8,265,470
Total assets less current liabilities		**2,720,220**	8,692,722
Non-current liabilities			
Lease liability		**1,158,500**	–
Provision		**300,000**	300,000
		1,458,500	300,000
NET ASSETS		**1,261,720**	8,392,722
Equity attributable to owners of the Company			
Share capital	24	**5,760,000**	5,760,000
Reserves	25(b)	**(4,498,280)**	2,632,722
TOTAL EQUITY		**1,261,720**	8,392,722

Approved by the Board of Directors on 31 March 2025 and is signed on its behalf by:

SUN Bo *Executive Director*	**WANG Daming** *Executive Director*

25. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Share premium HK$	**Contributed surplus** HK$	**Accumulated losses** HK$	**Total** HK$
At 1 January 2023	72,344,942	28,040,011	(96,693,014)	3,691,939
Issue of shares, net of transaction costs (note 24(a))	6,070,074	–	–	6,070,074
Loss and total comprehensive loss for the year	–	–	(7,129,291)	(7,129,291)
At 31 December 2023 and 1 January 2024	78,415,016	28,040,011	(103,822,305)	2,632,722
Loss and total comprehensive loss for the year	–	–	(7,131,002)	(7,131,002)
At 31 December 2024	**78,415,016**	**28,040,011**	**(110,953,307)**	**(4,498,280)**

26. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

Notes to the Consolidated Financial Statements

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26. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Contributed surplus

Under the Bermuda Companies Act 1981, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

– it is, or would after the payment be, unable to pay its liabilities as they become due; or

– the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

(iii) Foreign currency translation reserve

The foreign currency 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(b) to the consolidated financial statements.

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) 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 flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Directors' loans HK$	**Lease liability** HK$	**Total** HK$
At 1 January 2023	3,000,000	1,329,542	4,329,542
Cash flows	–	(1,388,675)	(1,388,675)
Interest expense	–	85,018	85,018
At 31 December 2023 and 1 January 2024	3,000,000	25,885	3,025,885
Additions	600,000	3,276,776	3,876,776
Cash flows	–	(1,166,915)	(1,166,915)
Interest expense	–	114,418	114,418
At 31 December 2024	**3,600,000**	**2,250,164**	**5,850,164**

Notes to the Consolidated Financial Statements

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27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024	2023
	HK$	HK$
Within financing cash flows	**1,166,915**	1,388,675

These amounts relate to the following:

	2024	2023
	HK$	HK$
Lease rental paid	**1,166,915**	1,388,675

28. SHARE OPTIONS

During the years ended 31 December 2024 and 2023, no option was granted, exercised, cancelled or lapsed under the share option scheme adopted by the Company on 16 May 2016.

There were no outstanding share options as at 31 December 2024 and 2023.

29. CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

30. NET (LIABILITY)/ASSET VALUE PER SHARE

The net (liability)/asset value per share is HK$(0.0026) as at 31 December 2024 (2023: HK$0.0254). The calculation of the net (liability)/asset value per share is based on the net (liabilities)/assets of the Group as at 31 December 2024 of HK$(742,061) (2023: HK$7,309,950) and the number of ordinary shares of 288,000,000 (2023: 288,000,000) in issue as at that date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

31. RELATED PARTY TRANSACTIONS

(a) Transactions and balances with related parties

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following significant transactions and balances with related parties:

	2024 **HK$**	2023 HK$
Waiver of accrued director's remuneration from a director	**–**	185,333
Loans from directors	**3,600,000**	3,000,000

The transactions and balances were entered into at terms mutually agreed by both parties.

(b) Key management personnel compensation

The key management personnel of the Group comprises all directors and the chief executive officer, details of their remuneration are disclosed in note 15.

32. EVENTS AFTER THE REPORTING PERIOD

In February 2025, Mr. SUN Bo and Mr. YANG Zhicheng, directors of the Company, had waived (i) the repayments of their directors' loans as at 31 December 2024 and (ii) the amounts of accrued directors' remuneration due to them as at 31 December 2024; and agreed to forgo their directors' remuneration and salary from 1 January 2025 to 30 June 2026, details of which are set out in note 2 to the consolidated financial statements.

On 28 February 2025, the Company and Cheer Union Securities Limited entered into a placing agreement in respect of the placement of 57,000,000 ordinary shares of HK$0.02 each to independent investors at a price of HK$0.17 each. The New Placing Agreement was lapsed on 21 March 2025.

Subsequent to the end of the reporting period, the Group has obtained additional loans from directors in aggregate of HK$1,000,000, details of which are set out in note 2 to the consolidated financial statements.

Save as disclosed, there are no material subsequent events undertaken by the Group after 31 December 2024 till the date of this report.

Notes to the Consolidated Financial Statements

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33. INVESTMENTS IN SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries as at 31 December 2024 and 2023 are as follows:

Name	Place of incorporation/ registration	Particulars of issued share capital/registered capital	Percentage of ownership interest/ voting power/ profit sharing Direct	Indirect	Principal activities and place of operation
CEIG One Limited	British Virgin Islands	100 ordinary shares of US$1 each	100%	–	Investment holding in Hong Kong
CEIG Two Limited	British Virgin Islands	100 ordinary shares of US$1 each	100%	–	Dormant
CEIG Management Limited	Hong Kong	100 ordinary shares of HK$100	100%	–	Asset holding in Hong Kong
Hong Kong CEIG One Limited	Hong Kong	100 ordinary shares of HK$100	–	100%	Dormant
深圳核經一咨詢有限公司 (Note (i))	The People's Republic of China ("PRC")	RMB2,000,000	–	100%	Provision of management service in PRC

Note:

(i) The subsidiary is a wholly foreign owned enterprise established under the laws of the PRC.

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2025.