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**)

2022 ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. HE Yu
Ms. LIU Li

Independent Non-executive Directors

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

CHIEF EXECUTIVE OFFICER

Mr. ZHANG Yufei

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 Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

STOCK CODE

339

On behalf of the board (the "Board") of directors (the "Directors", and each, a "Director"), I am pleased to present the annual report of Core Economy Investment Group Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Appropriations

During the year, the Group recorded a revenue of approximately HK$173,000 (2021: Approximately HK$186,000), proceeds from disposals of listed equity securities of approximately HK$15,551,000 (2021: Approximately HK$44,209,000), loss attributable to owners of the Company approximately HK$11,798,000 (2021: Approximately HK$14,992,000) and basic loss per share of HK$0.049 (2021: HK$0.063). 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$8,213,000 (2021: Approximately HK$9,016,000). The Group recorded a loss on net change in fair value of financial assets at fair value through profit or loss for the year of approximately HK$3,457,000 as compared with the loss of approximately HK$5,546,000 of the previous year. The decrease in net loss was mainly driven by decrease in loss on net change in fair value of financial assets at fair value through profit or loss as a result of the volatility of capital markets and decrease in administrative and other operating expenses because of implementation of cost saving plan.

Business Review

Last year, the markets underwent a correction which had a deleterious impact on stocks. Elevated inflation rates eroded purchasing power, prompting the government to adopt a more stringent monetary policy to combat the issue. This, along with increased interest rates, resulted in a sluggish economy in 2022. Despite the present state of uncertainty, it is anticipated that volatility will persist for a while. However, as inflation stabilizes, the government may opt to adopt a more accommodative monetary policy in an effort to spur growth and rejuvenate the market. Furthermore, the lifting of the majority of pandemic restrictions and reopening of boarders in China has also provided a boost to global demand, further fueling growth prospects. Our company remains steadfast in its conservative investment approach, aimed at safeguarding the value of our investment portfolios. In order to reap long-term benefits from investment, it is essential to adopt a proactive management approach that is capable of navigating the tumultuous market and shifts in industry authority. An ongoing surveillance of macroeconomic, policy, and business trends is imperative in light of the ever-evolving circumstances.

Details of the impact of the Covid pandemic on the Company's operation and financials have been set out in Environment, Social and Governance Report and in note 31 of the consolidated financial statements respectively.

The Group's portfolio of listed securities as at 31 December 2022 consisted of Tencent Holdings Limited, Alibaba Group Holding Limited, DT Capital Limited, Sunac China Holdings Limited, Meta Platforms, Inc., New Silkroad Culturaltainment Limited, Ping An Insurance (Group) Company of China, Ltd. – A Shares, China Evergrande Group, JD.com, Inc. and HSBC Holdings Plc.

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

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 third quarters financial result released, Tencent achieved year-over-year growth in non-IFRS earnings after four quarters of decline. Looking forward, Tencent will focus on enhancing the efficiency of the businesses and launching new revenue initiatives, including in-feed advertisements in its popular Video Accounts, while continuing to drive innovation through research and development.

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. In 2022, Alibaba experienced a drop in income compared with last year, which were primarily attributable to the decrease in income from operations, the decrease in share of results of equity method investee, as well as the decrease in net gains arising from change in market prices of its equity investments in publicly-traded companies. Looking forward to 2023, Alibaba's investment in artificial intelligence and cloud computing is expected to drive long-term growth and enhance its competitiveness in the industry.

DT Capital Limited
Bloomberg stock code: 356:HK

DT Capital Limited ("DT Capital") is an investment company. 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. The interim result in 2022 recorded an increase in loss compared to the corresponding period as of 2021. The major reason is due to increase in realized and unrealized loss on financial assets at fair value through profit and loss while last year recorded a gain on both realized and unrealized gain on financial assets at fair value through profit and loss. DT Capital had invested one biotechnology project in January 2022 but it was ceased in June 2022 having considered overall risk and environment as well as the potential return of the biotechnology business. In 2023, DT Capital has entered into a memorandum of strategic cooperation with Jinlong Jinhang (Beijing) Gold Group Co., Ltd. to cooperate with each other to carry out related mine development and gold store chain business. The board of DT Capital believes that this will enable DT Capital to develop the potential market in mine development and gold store chain business.

Sunac China Holdings Limited

Bloomberg stock code: 1918:HK

Sunac China Holdings Limited ("Sunac China") is principally engaged property development and investment, cultural and tourism cities operation and property management services in the People's Republic of China (the "PRC"). The trading of shares of Sunac China has been suspended since 1 April 2022. It is expected that the profit of Sunac China will be decrease during the year and currently the trading of shares of Sunac has been suspended. The management of Sunac China will focus on debt restructure so as to operate effectively.

Meta Platforms, Inc.

Bloomberg stock code: META:US

Meta Platforms, Inc ("META"), formerly Facebook Inc, is a provider of social networking, advertising, and business insight solutions. The company, through its virtual-reality vision, the metaverse, focuses on developing virtual environment that allows people to interact and connect with technology. META recorded a decline in profit in the year of 2022 compared to 2021. META took several measures to pursue greater efficiency to realign the business, leading an increase in operating cost in the full year 2022. The management of META believe such restructuring would lead META to be more efficient and nimbler.

New Silkroad Culturaltainment Limited

Bloomberg stock code: 472:HK

New Silkroad Culturaltainment Limited ("New Silkroad") is principally engaged in development and operation of real estate in South Korea, Canada and Australia; property management and operation of cultural tourism and entertainment business including casino and integrated resort in South Korea; also production and distribution of renowned brands of wine in China. Based on the profit warning announcement of New Silkroad for the year ended 31 December 2022, the financial performance of New Silkroad has gone from profit to loss compared to 2021, which primarily attributable to the recognition of non-ordinary impairment loss in the Glorious Hill resort land in Jeju, South Korea and a decrease in revenue as less apartments delivered under the Opera Residences in Australia during the year. New Silkroad will strive to produce unique high-quality wine products for establishing production advantages and stand out among the peers.

Ping An Insurance (Group) Company of China, Ltd. – A Shares

Bloomberg stock code: 601318:CH

Ping An Insurance (Group) Company of China, Ltd. ("Ping An Insurance") is principally engaged in provision of integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities and other assets management, banking and technology business. Net profit attributable to shareholders of its parent company slightly dropped year on year basis due to the short-term impact of domestic sporadic COVID-19 outbreaks and the volatility of capital markets. In future, the management of Ping An Insurance continues to differentiate themselves by provide high-qualities services to customers to enlarge customer base to sustain the growth.

China Evergrande Group

Bloomberg stock code: 3333:HK

China Evergrande Group ("Evergrande"), an investment holding company, primarily engages in the property development business in the PRC. It operates through four segments: Property Development, Property Investment, Property Management Services, and Other Businesses. It is involved in the development of residential properties, as well as other businesses, including property investment, property management, property construction, new energy vehicle, hotel operation, finance, internet, cultural tourism, and health businesses. The trading of shares of Evergrande has been suspended since 21 March 2022. The operating income of Evergrande is expected to decrease. Currently the trading of shares of Evergrande has been suspended. Evergrande will continue to actively explore with potential investors on the sale of certain equity interests to improve its liquidity and reduce the debt.

JD.com, Inc.

Bloomberg stock code: 9618:HK

JD. com, Inc. ("JD") is a leading supply chain-based technology and service provider. The company's cutting-edge retail infrastructure seeks to enable consumers to buy whatever they want, whenever and wherever they want it. The company has opened its technology and infrastructure to partners, brands and other sectors, as part of its retail as a service offering to help drive productivity and innovation across a range of industries. Based on the announcement of the full year 2022 result, JD reported an increase in operating income compared with 2021 due to improvement in operating efficiency. The management of JD believe that JD.com's resilient business model, industry-leading supply chain capabilities and efficient operations gives them a boost to deliver solid quarterly results amidst ongoing challenges in the external environment.

HSBC Holdings Plc

Bloomberg stock code: 5:HK

HSBC Holdings Plc ("HSBC") is the holding company for the HSBC Group. The company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. HSBC operates worldwide. Based on the annual report of HSBC, the adjusted profit before tax of HSBC was US$24 billion, an increase of US$3.4 billion on last year. All of the businesses grew profits in 2022, and the management of HSBC maintained the strong capital, funding and liquidity positions. The management of HSBC have invested in new sources of value creation that provide a good platform for future growth.

A brief description of the business and financial information of the above listed investee companies based on their published annual and interim reports have been set out in note 19 of the consolidated financial statements.

Liquidity, Financial Resources and Funding

The Group mainly relies upon shareholders' funds, loans from a director, 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$323,642 as at 31 December 2022 (2021: HK$1,419,050). As at 31 December 2022, the consolidated net asset value of the Group was HK$7,650,684 (2021: HK$19,449,336) with consolidated net asset value per share of HK$0.03 (2021: HK$0.08).

The Group had non-interest-bearing loans from a Director of HK$3,000,000 as at 31 December 2022 (2021: Nil) which were repayable on 9 December 2023, 23 December 2023 and 10 May 2023 respectively. Details of the loans from a Director are disclosed in the section "Loans from a Director" below.

Loans from a Director

On 8 June 2022, 24 June 2022 and 11 November 2022, the Company entered into three loan agreements with Mr. SUN Bo ("Mr. SUN"), an executive Director and one of the shareholders of the Company, pursuant to which Mr. SUN agreed to provide three loans to the Company with the principal amount of HK$500,000, HK$1,000,000 and HK$1,500,000 respectively. The purpose of the loans is to support the day-to-day operation of the Group. The loans did not bear any interest and were repayable within six months. On 7 December 2022 and 23 December 2022, the Company entered into loan extension agreements with Mr. SUN to extend the maturity dates of loans with principal amount of HK$500,000 and HK$1,000,000 to 9 December 2023 and 23 December 2023 respectively. The loans were repayable on 9 December 2023, 23 December 2023 and 10 May 2023 respectively. As at 31 December 2022, HK$3,000,000 has been drawn and approximately of HK$2,750,000 has been used as working capital of the Group.

During the year, the Company did not carry out any fund-raising activities.

The Group's accrual and other payables amounted to HK$1,745,833 as at 31 December 2022 (2021: HK$514,332), a lease liability amounted to HK$1,329,542 as at 31 December 2022 (2021: HK$2,493,106) and a provision amounted to HK$300,000 as at 31 December 2022 (2021: 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 owners' equity, was 0.833 as at 31 December 2022 (2021: 0.170).

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 2022. The capital of the Company comprises only ordinary shares as at 31 December 2022 and 2021.

Capital Expenditures

The Group's capital expenditures primarily consisted of expenditures on acquisition of computer equipment, furniture and fixtures, motor vehicles, office equipment and leasehold improvements. For the year ended 31 December 2022, the Group did not incur any capital expenditure (2021: HK$86,550).

Capital Commitments

As at 31 December 2022, the Group did not have any significant capital commitments (2021: 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 of Hong Kong Limited (the "Listing Rules") and maintained good relationship with its employees and investors.

Employees and Remuneration Policies

As at 31 December 2022, the Group has employed a total of 12 employees (2021: 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 2022 amounted to HK$4,980,000 (2021: HK$5,196,859). As of 31 December 2022 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 2022, the Group did not run into any disputes and conflicts with its surrounding communities.

Chairman's Statement

Charges on the Group's Assets

As at 31 December 2022, there were no charges on the Group's assets (2021: Nil).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2022 (2021: Nil).

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 2022.

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, 29 March 2023

Biographical Details of Directors and Senior Management

Executive Directors

Mr. SUN Bo, aged 41, 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 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 PRC.

Mr. WANG Daming, aged 62, 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. HE Yu, aged 42, 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. LIU Li, aged 32, was appointed as the Non-executive Director on 15 June 2021. Ms. LIU was educated and holds a tertiary diploma from Liaoning Information Vocational Technical College in the PRC. She has over 7 years of working experience in sales and marketing field. Ms. LIU is a merchant having business and investment in the PRC.

Biographical Details of Directors and Senior Management

Independent Non-executive Directors

Mr. CHEN Ming, aged 40, was appointed as the Independent Non-executive Director on 31 May 2017. 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 48, was appointed as the Independent Non-executive Director on 22 November 2016. 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 38, was appointed as the Independent Non-executive Director on 11 April 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 corporate management, investment fund management and the financial services field. 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 previously was 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 of Hong Kong Limited (the "Stock Exchange") (stock code: 952).

Chief Executive Officer

Mr. ZHANG Yufei, aged 38, 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 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

Ms. CHEUNG Hoi Ue, aged 38, 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.

The Directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND ANALYSIS OF OPERATIONS

The Company acts as an investment company engaged principally in investment and trading of listed and unlisted securities. 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 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.

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.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2022 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 69.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2022 (2021: 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 2022, the reserves available for distribution to shareholders pursuant to the Bermuda Companies Act 1981 amounted to Nil (2021: Nil).

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				
	2022	2021	2020	2019	2018
	HK$	HK$	HK$	HK$	HK$
Turnover	**15,724,250**	44,394,813	40,935,914	458,403	179,615
Loss before tax	**(11,797,983)**	(14,991,938)	(9,090,504)	(11,182,075)	(11,590,262)
Income tax	**–**	–	–	–	–
Loss for the year attributable to owners of the Company	**(11,797,983)**	(14,991,938)	(9,090,504)	(11,182,075)	(11,590,262)

Assets and liabilities

	As at 31 December				
	2022	2021	2020	2019	2018
	HK$	HK$	HK$	HK$	HK$
Total assets	**14,026,059**	22,756,774	27,732,001	34,531,667	31,246,178
Total liabilities	**(6,375,375)**	(3,307,438)	(750,061)	(4,025,000)	(564,311)
Total equity	**7,650,684**	19,449,336	26,981,940	30,506,667	30,681,867

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 4.82% of the issued share capital as at 31 December 2022.

(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.

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 2022.

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. HE Yu
Ms. LIU Li

Independent Non-executive Directors

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

BIOGRAPHICAL DETAILS OF DIRECTORS

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

OTHER INFORMATION

Change of Directors and change of information of Directors

There is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

EMOLUMENT POLICY

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

The emoluments of the Directors 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 had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2022 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 SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

At 31 December 2022, 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 specific undertaking or any of other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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, 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 2022
LIU Li[1]	Interest of controlled corporation	Long position	57,950,000	24.10%
HE Yu[2]	Interest of controlled corporation	Long position	27,800,000	11.56%
SUN Bo	Beneficial owner	Long position	22,275,000	9.26%
ZHANG Yufei	Beneficial owner	Long position	8,000,000	3.33%

Notes:

1. Ms. LIU Li holds 99% of Zhongqing Keji Shiye Development Limited*（中擎科技實業發展有限公司）which holds 80% of HK Jin Tai Feng Group Limited, which holds 57,950,000 shares of the Company. By virtue of the SFO, Ms. LIU Li is deemed to be interested in the 57,950,000 shares of the Company.

2. The 27,800,000 shares were held by Sun Oxford Co., Limited was solely and wholly owned by Mr. HE Yu. By virtue of the SFO, Mr. HE Yu is deemed to be interested in the 27,800,000 shares of the Company.

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 and its specific undertaking or any other 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, its specific undertaking or any other associated corporation.

* For identification purpose only

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

As at 31 December 2022, 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 2022
HK Jin Tai Feng Group Limited[1]	Beneficial Owner	Long position	57,950,000	24.10%
Zhongqing Keji Shiye Development Limited* (中擎科技實業發展有限公司)[1]	Interest of controlled corporation	Long position	57,950,000	24.10%
Sun Oxford Co., Limited	Beneficial Owner	Long position	27,800,000	11.56%
The People's Government of Henan Province (河南省人民政府)[2] ("Henan Province")	Interest of controlled corporation	Long position	13,200,000	5.49%
Zhongmei Energy International Limited[2] ("Zhongmei")	Beneficial owner	Long position	13,200,000	5.49%

Notes:

1. These shares were held by HK Jin Tai Feng Group Limited. Zhongqing Keji Shiye Development Limited* owned 80% of the issued shares of HK Jin Tai Feng Group Limited and therefore was deemed to be interested in these shares.

2. Those shares were held by Zhongmei. Zhongmei is held as 100% by Henan Zhongmei Energy Co., Ltd.*(河南省中美能源集團有限公司)("Henan Zhongmei"). Henan Zhongmei is held as 100% by Sheng Da Investment Limited*(盛大投資有限公司)("Sheng Da"). Sheng Da is in turn held as 100% by Henan Province Guotou Enterprise Management Co., Ltd.*(河南省國投企業管理有限公司)("Guotou"). Guotou is held as 65% by Henan Province Economy Technology Xiezuo Group Corporation*(河南省經濟技術協作集團公司)("Xiezuo") and as 35% by Zhong Zi Hua Ke Shang Ye Bao Li (Shen Zhen) Limited*(中資華科商業保理(深圳)有限公司)("Zhong Zi"). Zhong Zi is held as 100% by Sheng Da. Xiezuo is held as 100% by Henan Province. By virtue of the SFO, each of Henan Province, Henan Zhongmei, Zhong Zi, Sheng Da, Guotou and Xiezuo is deemed to be interested in the underlying shares of the Company held by Zhongmei.

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 2022.

* For identification purpose only

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 SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER 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 during the reporting period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Save as disclosed in note 20 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 2022.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 December 2022 are disclosed in note 30 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.

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.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there is no material subsequent event undertaken by the Group after the year ended 31 December 2022 and up to the date of this annual report.

AUDITOR

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 ("LIF & WONG") 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 and hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements of the Group for the year ended 31 December 2022 have been audited by LIF & WONG who will retire at the forthcoming annual general meeting and being eligible, offers itself for re-appointment. A resolution to re-appoint LIF & WONG 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.

On behalf of the Board

Mr. SUN Bo
Chairman

Hong Kong, 29 March 2023

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 Corporate Governance Code (the "CG Code") as set out in Appendix 14 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 2022, the Board comprises two Executive Directors, two Non-executive Directors and three Independent Non-executive Directors ("INEDs"). The brief biographical details of the Directors are set out in the "Biographical Details of Directors and Senior Management" section on pages 11 to 12. 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.

The Board is responsible for the Company's affairs including but not limited to leadership, control and overall strategic development of the Company, as well as to oversee the Company's internal control systems and financial performance 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.

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.

(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 2022, the Board at all times met the requirements of the Listing Rules relating to the appointment of INEDs as mentioned in item (i) above.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer of the Company are currently held by Mr. SUN Bo and Mr. ZHANG Yufei respectively.

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.

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 is one year commencing from the date of appointment.

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 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; and
- to make recommendations to the Board on the appointment or re-appointment of Directors, as well as succession planning for Directors.

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

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 2022:

- 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 the retirement of Directors by rotation and the re-appointment of the retiring Directors at the 2022 Annual General Meeting ("AGM");
- reviewed the reappointment 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.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness. During the year, there was no change in the composition of the Board.

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 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 14 to the consolidated financial statements.

The following is a summary of the work of the Remuneration Committee during the year ended 31 December 2022:

- 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.

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 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;
- to review the Group's financial and accounting policies and practice; and
- to perform the corporate governance functions.

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

The following is a summary of the work of the Audit Committee during the year ended 31 December 2022:

- reviewed the audited financial statements of the Group for the year ended 31 December 2021 and the related results announcement;
- reviewed the interim accounts of the Group for the six months ended 30 June 2022 and the related results announcement;
- reviewed the Group's financial controls, internal control and risk management systems;
- making recommendations to the Board on the 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.

ATTENDANCE OF DIRECTORS AT MEETINGS

Regular board meetings are scheduled to be held 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 2022 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	5/5	–	1/1	1/1
Mr. WANG Daming	1/1	5/5	–	–	–
Non-executive Directors					
Mr. HE Yu	1/1	4/5	–	–	–
Ms. LIU Li	1/1	5/5	–	–	–
Independent Non-executive Directors					
Mr. CHEN Ming	1/1	5/5	2/2	–	–
Mr. MOK Ho Ming	1/1	5/5	2/2	1/1	1/1
Mr. WONG Yan Wai George	1/1	5/5	2/2	1/1	1/1

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.

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 2022:

- reviewed and approved the interim results and annual results of the Group;
- approved the 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.

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 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 86% of Directors and 75% of total workforce of the Company were male. The Company will continue to take steps to promote diversity, including gender diversity, at workforce levels.

As at the date of this report, the Board comprises seven Directors, one of which is a female director. 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. HE Yu		✓	
Ms. LIU Li		✓	
Mr. CHEN Ming			✓
Mr. MOK Ho Ming			✓
Mr. WONG Yan Wai George			✓

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

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

Whistleblowing 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 2022, there was no reported cases.

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 2022, relevant reading materials including regulatory update and seminar handouts, etc. have been provided to the Directors for their reference and studying.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 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 64 to 68 of this annual report. For the year ended 31 December 2022, the remuneration payable to LIF & Wong CPA Limited and its affiliated firms (if any) is HK$232,000 for audit service, HK$48,000 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.

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

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 2022. 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 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.

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.

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 2022 are prepared in accordance with statutory requirements and applicable accounting standards, as well as their responsibility for performing the corporate governance function.

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 of the Group, 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.

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 2022 AGM of the Company to answer questions raised.

Explanation of detail procedures of voting by poll has been given at the commencement of the 2022 AGM. For each substantially separate issue at the 2022 AGM, a separate resolution was proposed by the chairman of the meeting. The poll results of the 2022 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 sent to shareholders in print form, and are available on both the Company's and Stock Exchange's websites;

- 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. Details of the Shareholders' Communication Policy are available on the Company's website at www.ceig.hk.

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.

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 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.

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 the Memorandum of Continuance and New Bye-laws of the Company is available on the Company's and the Stock Exchange's websites.

On behalf of the Board

SUN Bo
Chairman

Hong Kong, 29 March 2023

Environmental, Social and Governance Report

About This Report

Core Economy 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.

Report Boundary

The scope of the Report covers the office operation in Hong Kong and the reporting period is from 1 January 2022 to 31 December 2022 (the "Reporting Period", "2022").

Reporting Standard

The Report has been prepared in accordance with the "Comply or Explain" provisions of the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEx ESG Reporting Guide").

During the process of preparation of the ESG report, we summarised the Company's performance in terms of the corporate social responsibilities based on the reporting principles of "materiality", "quantitative", "balance" and "consistency". The table below is our response to the reporting principles.

Reporting principles	Description
Materiality	Relatively crucial and significant ESG issues are shown in the ESG report.
Quantitative	KPIs are disclosed in a measurable manner with sufficient description on the changes.
Balance	The ESG report is prepared under an unbiased basis.
Consistency	The same methodologies are adopted throughout the Reporting Period.

Review and Approval

The board of directors ("Board") of 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 29 March 2023.

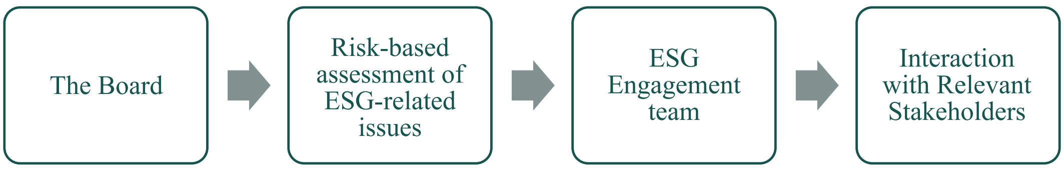
The ESG Approach

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.

Governance Structure

The Board is the highest decision-making body for the ESG management of the Company. The Board provides oversight of the Company's ESG management approach, strategies, targets, risk and opportunities. The management of the Company executes the ESG strategies and practices determined by the Board, as well as directly monitors ESG-related risks and internal controls.



In setting ESG management approach and strategy, the Board adopted risk-based management approach to evaluate, prioritise and manage the ESG-related issues including the review of ESG-related goals and targets. The Board believes that the integration of ESG-related issues to the continuous risk management of the Company will enhance the effectiveness and efficiency in managing the ESG-related issues and its risk to the Company.

The ESG Engagement team is comprised of senior management and the external ESG specialists. It is accountable to the Board, and has the following main duties:

– To assist the Board in fulfilling its oversight responsibility for the Company's ESG strategies and approach;

– To establish a suitable, acceptable and feasible ESG-related goals and targets;

– To engage with stakeholders and to solicit their feedback on the Company's ESG risks and opportunities;

– To determine ESG priorities, formulate corresponding objectivities and policies, and to monitor progress as per the ESG-related goals and targets; and

– To assess and manage ESG risks arising from operation and to progressively integrate ESG considerations into the Company's business strategy.

The ESG-related aspect of Company's operations and business are primarily managed by the ESG Engagement team. Through the interaction with relevant stakeholders, the Company's policy and operations are timely planned and adjusted to address the material topic identified in the stakeholder engagement process. The interaction may be invisible or tangible which is subject to the nature of stakeholder. The ESG Engagement team timely place attention to the market research conducted by the external professional regarding the trend of material topic which the stakeholders concern about. Then, proper response and action are exercised after the consideration of the Company's capacity and resources.

Stakeholders Engagement

For the Company, the stakeholders refer to groups and individuals who have significant impact on the Company's business, or those who are affected by the Company's business. The participation of stakeholders is an important part of the business management of the Company for it to examine potential risks and business opportunities. Communications with stakeholders enable the Company to better understand their views and to bring business practices closer to their needs and expectations, so as to properly manage the views of different stakeholders.

Our key stakeholders include investors, employees, suppliers, government and regulators, natural environment and society. In accordance with the assessment result regarding significance to the influence from and on the Company, we made a list of key stakeholders and determined the degree and range for their participation in corporate governance, management and decision-making.

Stakeholders	Topic raised	Communication, understanding and responses to stakeholders
Investors	Corporate governance; Business strategies and performance; Investment returns; Information transparency; ESG-related risk of the Company; Sustainability of our investments and operations; Competence and quality of the management.	Shareholders' meeting; Financial reports or announcements for investors; Media and analysts; Study of market research conducted by professional organisations and public media regarding the trend of ESG-related concerns.
Employees	Humanity; Health and safety; Career development; Labour rights; Working environment.	Performance management; Continuous education and professional trainings; Attention to occupational health and safety; Annual appraisal; Regular study of market research conducted by external recruitment expert.
Suppliers	Performance regarding the aspect of environmental and social; Product/service quality; Integrity; Company's core value and its public image.	Supplier selection with due care; Contractual obligations are in place; Direct communication our concerns to suppliers.
Government and regulator	Compliance with laws and regulations; Sound development of the market; Social welfare.	Correspondence; Telephone conversation; Regulatory filings; Study of relevant research and consultation papers issued by the regulators.
Natural environment	To realize green operation; Participation of environmental related public activities; Green investments.	Energy saving and emission reduction; Green public-service activities.
Society	Corporate governance; Environmental protection; Employment opportunities.	Volunteer activities; Charitable donation.

Materiality Assessment

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:

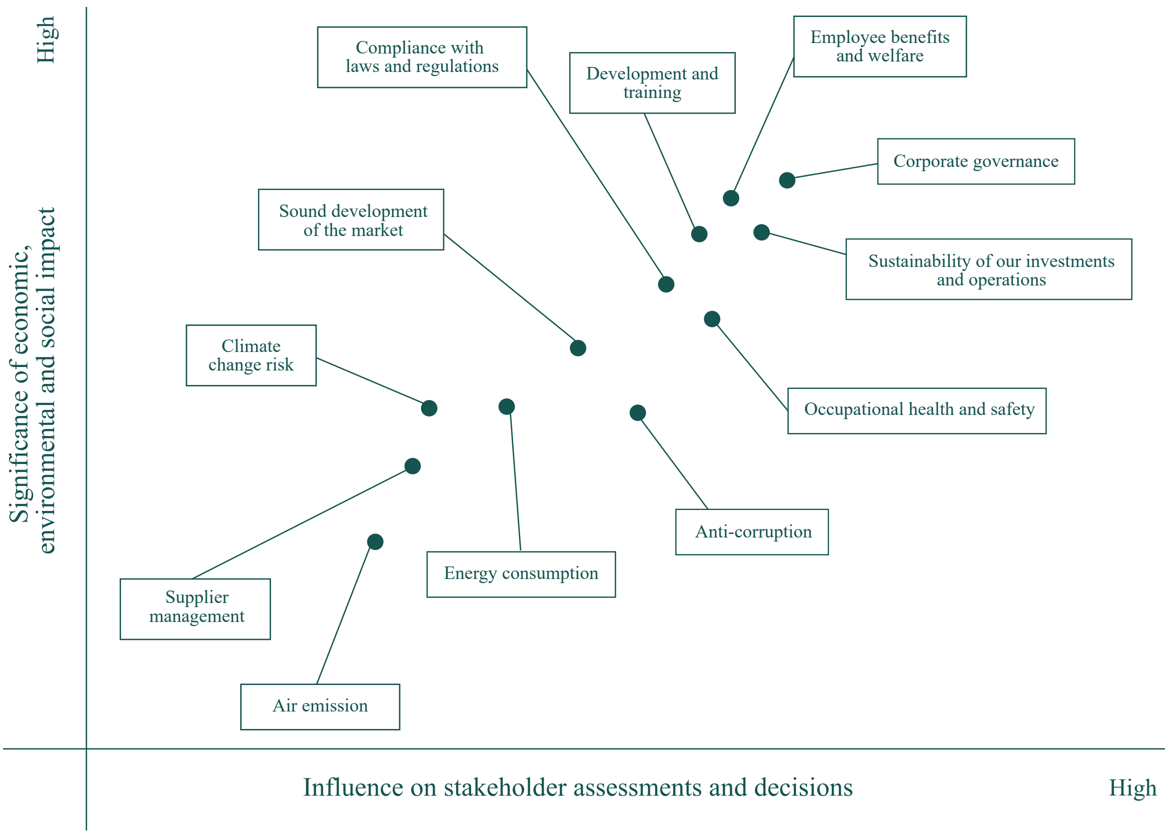
1. Identifying potential issues: screen out the initial reference issues with reference to the HKEx ESG Reporting Guide.

2. Stakeholders communication: understand and analyze the issues of concern to stakeholders.

3. Ranking the issues by materiality: prepare the ESG materiality ranking based on the results of the communication.

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

Material Sustainability Issues



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 the year	Impact on material topic
Employees	– To increase employees training hours – To maintain the safety and health of working environment	– Development and training – Occupational health and safety
Environmental	– To reduce the paper usage – To reduce the electricity usage	– Air emission – Energy consumption
Investor	– To consider the ESG-related risk in the investment decision making process	– Sustainability of our investments and operations – Green investment
Suppliers	– To attach greater importance on the assessment of environmental and social aspects	– Performance regarding the aspect of environmental and social

EMPLOYEES

We recognize our employees as our valuable assets. We constantly strive to attract and retain talents and reconcile economical imperatives with employee wellbeing to reinforce satisfaction, loyalty and commitment towards our human capital. We have developed a human resource policy as part of our operation manual to govern compensation, dismissal, recruitment and promotion, working hours, equal opportunity, diversity, anti-discrimination and other welfare benefits in accordance with respective laws and regulations. The level of compensation of our employees is reviewed annually on a performance basis with reference to their qualifications and performance and compared to market standards.

Relationship with Employees

To maintain the continuity of the business, employees are the key and the greatest asset of the Company. We highly value their opinions and provide various communication channels including the meeting, email and letter so that they can provide feedback to the Company. We will take necessary follow-up actions to address their comments in order to maintain high-quality management.

In addition, we care about the well-being of our employees. As such, we organise activities periodically such as team lunch to maintain the bonding among the employees and support the work-life balance.

Compliance with Employment Laws and Regulations

The Company complies with the Labour Law of Hong Kong and relevant employment laws and regulations during the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). Working hours, leaves, remuneration and other employment practices are reviewed regularly to ensure compliance with latest labour laws and regulations and the norms of the markets where our Company operates. During the Reporting Period, there were no non-compliance cases identified relevant to laws and regulations on recruitment, employment, benefits and welfare, and anti-discrimination.

Health and Safety

The major business operation conducts in the office environment where is not anticipated of significant health and safety risk. To protect the health of our employees, the Company has provided medical insurance plan to cover potential illness and diseases of our employees. We also emphasise the personal hygiene, cleanliness and tidiness of office to ensure a pleasant working environment for all our employees. As an investment company, the Company has a low safety risk profile, but potential injury hazards from slips, trips and falls for staffs remain. In order to protect our employees from injuries and accidents under adverse weather, we have established adverse weather working arrangement in our working guideline.

The Company has offered various facilities to address the health and safety needs of our employees, encompassing:

– ensuring ample space between workstations and clean and tidy common space such as corridors and pantry;

– ensuring the facilities operated by employees should meet safety and health standards;

– obtaining expert advice to identify health and safety risk in the operations and the corresponding mitigating actions that should be taken;

– maintaining sufficient ventilation and lighting system in the office;

– offering adjustable chairs and workstation of proper design at each individual workstation;

– conducting fire drills and emergency evacuation simulations to raise employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency; and

– prohibiting smoking and abuse of alcohol and drugs in the workplace.

During the Reporting Period, the Company complied with all relevant laws and regulations including but not limited to the Occupational Safety and Health Ordinance in Hong Kong.

During the Reporting Period and the past three years, no work-related fatality or injury from workplace have been incurred. There was no loss of working days of any employee resulting from work injury.

COVID-19 Measures

Due to the COVID-19 pandemic, the Company has come up with a set of practices to protect its employees by the following procedures:

– providing personal protective equipment such as face mask to employees daily to minimize the droplets contacts while providing hand sanitizers in the office to fulfil employees' hand sanitizing needs;

– requesting staff and workers to wear surgical masks both at office and works sites;

– conducting mandatory body temperature check before entering office;

– requesting staff and workers to maintain personal hygiene and those who have respiratory symptoms shall be refrained from working and be asked to seek medical advice promptly;

– requesting staff and workers not to travel to those areas severely affected by COVID-19 unless necessary, and those who return from the affected areas shall be quarantined for 14 days and be asked to fill in the health check form;

– implementing work from home arrangement by reference to the government guideline and procedures; and

– encouraging the employees and directors to perform the meeting by telephone or virtual conference.

Dismissal Policy

In situations which an employee has violated the Company's regulation, or his/her performance is below an acceptable level continuously, a set of procedures were established to terminate their employment contract. The terms and conditions for dismissal are outlined in the Company's policy and procedures.

Development and Training

The Company attaches the great importance to the career development and quality of employee. We provided the employees with effective training and develop a clear promotion ladder, ensuring that the employees have the required skills.

Professional development is essential to keep pace with the latest market information and maintain technical competence in 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-job training regarding the company policies, procedures, disclosures standard and obligation to relevant employees is also provided.

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	FY2021	**FY2022**	FY2021	**FY2022**
Male	100	**100**	3	**3**
Female	100	**100**	30	**30**
General employees	100	**100**	2	**2**
Mid-level employees	100	**100**	30	**30**
Senior management	100	**100**	3	**3**

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 readings.

During the Reporting Period, the average training hours per employee was 7 hours (2021: 7 hours).

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

Equal Opportunity and Anti-Discrimination

We believe cultural and individual diversity fosters innovation and enhances productivity. Thus, we strongly advocate cultural diversity, value and respect individual differences. We aim at creating an inclusive workplace by adopting non-discriminatory hiring and employment practices, with the principle that no one should be treated less favourably because of their personal characteristics, including but not limited to gender, pregnancy, marital status, disability, family status and race. Opportunities for employment, training, and career development are equally opened to all qualified employees, where they are assessed by experienced personnel through objective criteria.

By adopting the above practices, we comply with, in all material respects, the following ordinances and the relevant codes of practice issued by the Equal Opportunities Commission of Hong Kong: Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong), and Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong). During the Reporting Period, we were not aware of any non-compliance regarding the compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Prevention of Child and Forced Labour

The Company fully agreed that employing child and forced labour are a violation of basic human rights and international labour conventions and poses threats to the sustainable development of the society and economy.

The Company strictly prohibits the use of child labour in accordance with the relevant laws and regulations such as the Employment of Children Regulations. We ensure that no child labour is employed by verifying the identity of new employees before the commencement of work. Cases of holding forged identification documents or providing false personal date or working experience, once found, will be handled according to the relevant requirements of the Company's policies. Serious cases with detrimental effects will be handled according to relevant legal requirements. Forced labour is also stringently prohibited that no employee engagement in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services.

The risk of the issues of child and forced labour is minimal in our operation. The Company will exercise best effort to analyse the relevant risk of child and forced labour of the operation of investment target before making investment.

During the Reporting Period, the Company strictly complied with the employment ordinance and did not employ any child labour nor forced labour in accordance with the relevant laws and regulations of the local governments.

Employment Profile

As at 31 December 2022, the Company had 12 (2021: 12) employees, in which all of them are located in Hong Kong.

Employee structure	Number of workforces		Turnover rate
	FY2021	**FY2022**	(note)
By gender			
Male	9	**9**	Nil
Female	3	**3**	Nil
By employment type			
Full-time	12	**12**	Nil
Part-time	Nil	**Nil**	Nil
By grade			
General	1	**1**	Nil
Middle level	2	**2**	Nil
Senior management	9	**9**	Nil
By age			
Aged 30-50	11	**11**	Nil
Aged 50 or above	1	**1**	Nil
By geographical region			
Hong Kong	12	**12**	Nil
Others	Nil	**Nil**	Nil

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 employee turnover rate is Nil (2021: approximately 25%).

INVESTORS

Sustainable Investment Strategy

The Company believes that effective management of the ESG issues is one of the key elements in sustaining the business and promoting the long-term growth of a company. Being a responsible investor, we value a company with strong future prospect. Therefore, we set out investment principles to invest in business with strong management, potential growth of profit, high levels of expertise, research and development capabilities and long term growth. We consider the ESG performance of a company to determine the long-term growth in terms of their transparency of information, environmental consciousness in pollution reduction, resource conservation, social responsibility in community contribution and interaction with the key stakeholders.

In addition, we are obliged to safeguard the investment of our shareholders. We invest in diverse portfolios and implement hierarchy to make sure the investments are in line with the investment objective before taking any transaction actions. Our employees should strictly follow the Internal Management and Control Manual (operation) to make the investment decision.

Privacy Protection

We maintain high level of confidentiality in the company privacy (e.g. investment plans and any price sensitive information). The Company has strictly complied with the Listing Rules, the SFO and other regulatory requirements in relation to the disclosure of inside information. A policy is established to ensure the confidentiality of the potential inside information and timely disclosure if necessary. All our employees are not allowed to disclose any unpublished inside information and strictly follow the policy for handling the inside information.

During the Reporting Period, there were no issues occurred concerning the losses of data.

SUPPLY CHAIN MANAGEMENT

The Company attaches importance to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them.

The Company selects reliable vendors and service providers to support the business operations and is committed as much as possible to conduct the business with suppliers that act in a socially responsible manner to meet the ethical expectations. The Company will consider their reputation, their track record of high corporate standards, expertise and capacity to select the qualified supplier and should obtain appropriate management's approval before entering an agreement. Such procedure aims to support operational efficiency, segregation of duties and making the best decision.

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 performed 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:

Region	**Number** (Note 1) FY2021	**FY2022**	**Number of suppliers being assessed** (Note 2) FY2021	**FY2022**
Hong Kong	11	**10**	4	**5**
China	2	**2**	Nil	**Nil**
Total	13	**12**	4	**5**

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.

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 HKEx ESG Reporting Guide, is not applicable to the Company.

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 the 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 social charitable 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 selection of focus area of contribution to community investment is still under the consideration and selection progress therefore the Company did not have focus areas of contribution during the Reporting Period. During the Reporting Period, there is no resources contributed to the focus area. The target for the future reporting period would be the determination of focus area and the directional improvement regarding the resources contributed to the focus area.

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.

ENVIRONMENT

The Company is primarily engaged in the investment and trading of listed and unlisted securities and the normal business operates within the offices, which consumes relatively less energy, water and resources. Even the environmental impact is minimal, the Company understands the social responsibility to protect the environment and endeavour to take necessary measures to minimise the environmental impact from the business.

During the Reporting Period, the Company was not aware of any material non-compliance with the relevant environmental laws and standards.

Energy Efficiency and Carbon Emission Control

The Company endeavours to save energy during the business operation and reduce the carbon footprint. There is insignificant direct greenhouse gases ("GHG") emission from the Company. The carbon footprint of the Company includes the indirect emission from the electricity used by the office equipment. As our business nature, we did not generate any nitrogen oxides, sulphur oxides and respiratory suspended particles in our operations.

During the Reporting Period, the Company generates about 3.31 tonnes (2021: 4.83 tonnes) of carbon equivalent emission. Among the total GHG emission, indirect electricity consumption was the most proportion. The significant decrease of GHG emission was contributed by the none of travelling and reduction of the electricity consumption and paper usage in office by the work from home arrangement during the Reporting Period.

Emission	Sources	Unit	FY2021	FY2022
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	4.47	**2.99**
Intensity (Note 2)		Tonnes CO_2e/FTE	0.37	**0.25**
Other indirect emissions (Scope 3)	Air travel and paper wasted	Tonnes CO_2e	0.36	**0.32**
Intensity (Note 2)		Tonnes CO_2e/FTE	0.03	**0.03**
Total GHG emissions (Scope 1, 2 and 3)			4.83	**3.31**
Electricity consumed		kWh	6,295	**4,205**
Intensity (Note 2)		kWh/FTE	524.58	**350.42**
Paper consumed		Kg	75.69	**66.10**
Intensity (Note 2)		Kg/FTE	6.31	**5.51**

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 0.71 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 is the major indirect energy consumption for the Company which is consumed during daily business operations in our offices through the use of indoor lighting, air-conditioning and the functioning of office.

The Company aims to maximize the lifespan of computer equipment by finding opportunities to refurbish and redeploy assets internally whenever feasible. According to the recent business development, there is increasing trend to rely on computer equipment and software to operate the business. In designing our replacement plan of computer equipment, we consider the benefit of energy efficiency and stability to reduce the negative impact to natural environment and enhance the sustainability of operation.

We maintain the policy of keeping a 25-degree Celsius air-conditioned office, and adopt hardware with energy efficiency labels. In addition, we advise our employees to reduce the standby time of office equipment by turning them off when not in use and turn off the air conditioners and lights when the vicinity is vacant.

During the Reporting Period, the electricity consumption by the Company was 4,205 kWh (2021: 6,295 kWh), with an energy intensity of 350.42 kWh (2021: 524.58 kWh) per employee.

Water

Regarding the use of water, our Company's office in Hong Kong is the major source of our direct water consumption, which could be considered immaterial due to limited number of staff and the nature of our Company's businesses.

The Company consumes water in the office from a centralized water and sanitation system implemented in the building. The cost of water consumption of the Company is inclusive in the monthly building management fee, and the building management does not individually measure the water consumption of each tenant and hence no relevant data can be collected. To reduce unnecessary water consumption, our employees are encouraged and reminded to cherish water usage by turning off the water tap when not in use in both washroom and pantry.

Water was supplied by the municipal water supply company and there was no issues in sourcing water that is fit for purpose.

Packaging Material

The Company does not involve consumption of packaging materials or packaging material-related businesses. Therefore, no packing 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 impacts 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 66.10 kg (2021: 75.69 kg) with 13,222 pieces of paper (2021: 15,139 pieces).

As a way to reduce the amount of waste, we are dedicated to implementing a plenty of measures by sticking to the principles of 4Rs. We always encourage our staff to reuse envelopes, folders, file cards and other stationary. We purchase refills instead of new pens, rechargeable batteries are used instead of disposable batteries in our office. By adopting green procurement practices, we always prefer consumables which are made by recycled materials with minimal packaging. Employees are also encouraged to reuse materials so as to minimize the amount of waste discarded to landfill.

Emission and Use of Resources Target

As the Group's emission is produced from indirect emission such as consumption of electricity, usage of paper and travelling, the emission target will be set as the directional improvement on these indirect emission sources. To achieve the target the Group is committed to initiating further measures addressing use of resources, with the aim to maintain or reduce the intensity of consumption. The respective measures are as follows:

- Switch off unused office equipment and appliances;
- Use of energy efficient lighting;
- Optimize the temperature control of air-conditioning system;
- Regularly replacement of lack of energy efficiency computer and electricity;
- Blinds for windows to reduce solar heat in air-conditioned areas and hence the strength of air-conditioning required;
- Encourage double-sided printing;
- Recycle and reuse paper;
- Non-essential items should be used in e-format instead of printing out;
- Any documents that are no longer in use should be shredded and recycled;
- Water consumption of the Company is minimal. Employee are encouraged not to waste water; and
- Conference calls instead of face-to-face meetings are arranged where possible.

The Company is dedicated to maintaining the measures above while continuing to explore other eco-friendly initiatives.

The Environment and Natural Resources

As the expectations on corporate responsibility increase, sustainability is a business approach to creating long term value to the Company 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 Company's activities towards the environment and natural resources is comparatively low.

Climate Change Risk

Climate change is gradually concerned by the community. The Company recognises that climate change poses a risk to its business and it is committed to mitigating the effects of climate change.

We have an analysis of the climate change risk to us as follow:

Physical risk	
Acute risks (Note 1)	**Chronic risk** (Note 2)
The risk of extreme weather is increasing. It may cause damage to building foundations, damage to utilities cables, risk of rain penetration due to heavy rain and storm surges. There is risk of failure to the operation of the Company.	In long-term, the extreme weather may result in change of rainfall pattern which cause the unstable water supply to Hong Kong (the place of the principal operation). The quality of life may be lower which reduce the chance to employ business talent as the decrease of attractiveness of working environment in Hong Kong.
The extreme weather may cause damage to the direct and indirect risk to telecommunications and computer failure. The unstable network would cause the risk to our principal business activities which is securities trading and investment.	In long-term, the maintenance cost and insurance cost may increase due to the increasing climate change risk. The financial performance of the Company may suffer higher costing.
The extreme weather such as storm surges and heavy rain would cause tree failure and immediate dangers to the safety of our employees.	In long-term, the climate change would change the chronic health condition. For example, the higher temperature would result in changes in transmission patterns of infectious diseases or higher risk of thermal stress.

The acute risk would be addressed by the closely monitor of the extreme weather and safe working arrangement of bad weather for the employees. The work from home arrangement would reduce the risk of failure of operation due to damage to Company's office by the extreme weather.

The Company would regularly raise the awareness of the employees to risk of health issues caused by fluctuation of temperature as well as the risk of infectious diseases. At the current stage, the chronic risk to the Company is not significant. However, the Company would closely monitor the relevant risk and establish controls, such as change of place of the operations where the place has lower chronic risk, if required. At the same time, the Company would exercise best effort to reduce its emission and enhance the portion of green investment in the future in order to make even minimal but meaningful contribution to address climate change risk.

Transition risk (Note 3)	**Risk details**
Reputation risk	Although the Company's business activity is investment, the ESG performance of the investments would affect the reputation of the Company. For example, if there is environmental pollution and high-carbon production in the investment, the reputation of the Company would also be damaged.
Policy and legal risk	The law and regulations are expected to be changed for the higher requirement of ESG-related disclosure. For example, the Company is expected to incur higher legal cost to monitor the ESG-related performance of the Company's investments. Failure of disclosure or incorrect disclosure may impose higher legal risk to the Company.
Market risk	The operating market of the Company's investments may be affected due to climate change. For example, the supply and demand of certain commodities may change which affect the operation of the Company's investments.

The control and response to transition risk is that the Company will enhance the ESG-related risk analysis in the Company's risk assessment process. The investment risk should include the ESG-related risk analysis to produce an adjusted risk of return of our investment profile. The reputation risk would be addressed by initial analysis and subsequent monitor of the background of the investments and its management's reputation in ESG-related aspect rather than only the financial aspect. The policy and legal risk would be addressed by the regularly collection of relevant ESG-related data and the local laws and regulations of the investments regarding the ESG-related aspect. The market risk would be addressed by the regular analysis to the ESG-related risk of our investments in order to generate an acceptable and suitable ESG-related risk adjusted investment portfolio.

As per the HKEx's ESG report preparation guidance, the description of the notes is as follow:

Note 1: Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as super typhoons, floods, extreme temperature fluctuations.

Note 2: Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Note 3: Transitioning to a lower-carbon economy may entail extensive policy, legal, technological, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to companies.

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.	Energy Efficiency and Carbon Emission Control
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).	Energy Efficiency and Carbon Emission Control
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

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
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

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.	EMPLOYEES
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 and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety COVID-19 Measures

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.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
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.	Compliance with Employment Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Prevention of Child and Forced Labour

B. Social	Description	Reference Section
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN MANAGEMENT
KPI B5.1	Number of suppliers by geographical region.	SUPPLY CHAIN MANAGEMENT
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.	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.	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.	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
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
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	N/A

B. Social	Description	Reference Section
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

LIF & WONG CPA LIMITED
理賢薈會計師事務所有限公司

TO THE SHAREHOLDERS OF
CORE ECONOMY INVESTMENT GROUP LIMITED
(Continued into Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Core Economy Investment Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 69 to 120, which comprise the consolidated statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies.

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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.

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 Suspended Equity Securities

As disclosed in notes 7 and 19 to the consolidated financial statements, financial assets at fair value through profit or loss ("FVTPL") amounted to HK$11,413,341 as at 31 December 2022 which included listed securities suspended for trading (hereafter referred to as "Suspended Equity Securities") carried at fair value of HK$1,078,200. The fair value of Suspended Equity Securities are categorised as Level 3 under the fair value hierarchy.

The valuations of financial assets at FVTPL relating to Suspended Equity Securities have been determined by management with the assistance of independent professional valuers. Such valuations involve the determination of the valuation models and the selection of different inputs and the assumptions made in the valuation models by management and independent professional valuers. Any changes in valuation models adopted and inputs and assumptions applied could lead to significant changes in amounts reported as fair value in the consolidated financial statements.

We identified the valuation of financial assets at FVTPL relating to these Suspended Equity Securities as a key audit matter because of its significance in the consolidated financial statements and the valuation of financial instruments without a quoted price involves a higher degree of estimation, uncertainty and judgment.

Our procedures to assess the valuation of financial assets at FVTPL relating to Suspended Equity Securities include:

- Evaluating the competence, capabilities and objectivity of the independent professional valuers appointed by the Group;
- Assessing the valuation methodology applied for appropriateness against market practice;
- Assessing the reasonableness of key assumptions in the valuation based on our knowledge;
- Obtaining supporting evidences for the significant judgements and estimates and key inputs data used in the valuation models; and
- Evaluating the adequacy of financial statement disclosure.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2022.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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 HKFRSs 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 (the "Audit Committee") assists the directors in discharging their responsibility in this regard.

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.

- 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 Wong Wah.

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

Hong Kong, 29 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	**2022**	2021
		HK$	HK$
Revenue	8	**172,943**	186,198
Net change in fair value of financial assets at fair value through profit or loss	9	**(3,456,809)**	(5,546,092)
Administrative and other operating expenses		**(8,213,130)**	(9,016,170)
Finance costs	10	**(300,987)**	(615,874)
Loss before income tax expense	11	**(11,797,983)**	(14,991,938)
Income tax expense	12	**–**	–
Loss for the year attributable to owners of the Company		**(11,797,983)**	(14,991,938)
Other comprehensive income for the year, net of tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(669)**	225
Total comprehensive income for the year attributable to owners of the Company		**(11,798,652)**	(14,991,713)
Loss per share			
– Basic and diluted	16	**(0.049)**	(0.063)

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	2022 HK$	2021 HK$
Non-current assets			
Property, plant and equipment	17	**339,883**	535,522
Right-of-use asset	18	**1,216,227**	2,409,992
Refundable rental deposit		**403,129**	403,129
		1,959,239	3,348,643
Current assets			
Financial assets at fair value through profit or loss	19	**11,413,341**	17,660,440
Prepayments, deposits and other receivables		**329,837**	328,641
Cash and cash equivalents		**323,642**	1,419,050
		12,066,820	19,408,131
Current liabilities			
Accruals and other payables		**1,745,833**	514,332
Director's loans	20	**3,000,000**	–
Lease liability	21	**1,303,657**	1,163,564
		6,049,490	1,677,896
Net current assets		**6,017,330**	17,730,235
Total assets less current liabilities		**7,976,569**	21,078,878
Non-current liabilities			
Lease liability	21	**25,885**	1,329,542
Provision	22	**300,000**	300,000
		325,885	1,629,542
NET ASSETS		**7,650,684**	19,449,336
Equity attributable to owners of the Company			
Share capital	23	**4,809,600**	4,809,600
Reserves	25	**2,841,084**	14,639,736
TOTAL EQUITY		**7,650,684**	19,449,336

Approved by the Board of Directors on 29 March 2023 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 2022

	Share capital HK$ (note 23)	Share premium HK$ (note 25b(i))	Contributed surplus HK$ (note 25b(ii))	Exchange reserve HK$ (note 25b(iii))	Accumulated losses HK$	Total HK$
At 1 January 2021	4,008,000	65,687,433	28,040,011	3	(70,753,507)	26,981,940
Loss for the year	–	–	–	–	(14,991,938)	(14,991,938)
Other comprehensive income for the year:						
Exchange differences arising on translation of foreign operations	–	–	–	225	–	225
Total comprehensive income for the year	–	–	–	225	(14,991,938)	(14,991,713)
Issue of shares (note 23)	801,600	6,657,509	–	–	–	7,459,109
At 31 December 2021 and 1 January 2022	4,809,600	72,344,942	28,040,011	228	(85,745,445)	19,449,336
Loss for the year	–	–	–	–	(11,797,983)	(11,797,983)
Other comprehensive loss for the year:						
Exchange differences arising on translation of foreign operations	–	–	–	(669)	–	(669)
Total comprehensive income for the year	–	–	–	(669)	(11,797,983)	(11,798,652)
At 31 December 2022	**4,809,600**	**72,344,942**	**28,040,011**	**(441)**	**(97,543,428)**	**7,650,684**

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Notes	**2022 HK$**	2021 HK$
Cash flows from operating activities			
Loss before income tax expense		**(11,797,983)**	(14,991,938)
Adjustments for:			
Depreciation of property, plant and equipment	11	**195,639**	214,312
Depreciation of right-of-use asset	11	**1,193,765**	1,576,929
Property, plant and equipment written off	11	**–**	5,088
Finance costs	10	**300,987**	615,874
Dividend income from listed equity investments	8	**(172,885)**	(184,102)
Bank and other interest income	8	**(58)**	(2,096)
Net realised gains on disposals of financial assets at fair value through profit or loss	9	**(119,534)**	(416,992)
Net unrealised losses on financial assets at fair value through profit or loss	9	**3,576,343**	5,963,084
Operation loss before working capital changes		**(6,823,726)**	(7,219,841)
(Increase)/decrease in prepayments, deposits and other receivables		**(1,196)**	1,183,467
Increase in accruals and other payables		**1,231,501**	41,873
Proceeds from disposals of financial assets at fair value through profit or loss	8	**15,551,307**	44,208,615
Purchase of financial assets at fair value through profit or loss		**(12,761,017)**	(46,692,766)
Cash used in operations		**(2,803,131)**	(8,478,652)
Dividends received		**172,885**	184,102
Bank and other interest received		**58**	2,096
Net cash used in operating activities		**(2,630,188)**	(8,292,454)
Cash flows from investing activity			
Purchase of property, plant and equipment		**–**	(86,550)
Net cash used in investing activity		**–**	(86,550)
Cash flows from financing activities			
Proceeds from director's loans	20	**3,000,000**	–
Interest paid on other borrowings	10	**(75,876)**	(272,339)
Interest on lease liability	10	**(225,111)**	(343,535)
Proceeds from issue of shares	23	**–**	7,535,040
Share issue expenses		**–**	(75,931)
Principal elements of lease liability		**(1,163,564)**	(950,066)
Net cash generated from financing activities		**1,535,449**	5,893,169
Net decrease in cash and cash equivalents		**(1,094,739)**	(2,485,835)
Effect of foreign exchange rate changes		**(669)**	225
Cash and cash equivalents at 1 January		**1,419,050**	3,904,660
Cash and cash equivalents at 31 December			
Representing cash and cash equivalents		**323,642**	1,419,050

1. GENERAL INFORMATION

Core Economy 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").

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 ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations (hereinafter collectively referred to as the "HKFRS") 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 ("HKD"), unless otherwise stated.

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

The preparation of consolidated financial statements in conformity with HKFRSs 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.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new or amended HKFRSs

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

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021
AG 5 (Revised)	Merger Accounting for Common Control Combinations
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendments to HKFRS 1, HKFRS 9 and HKAS 41 and Illustrative Examples accompanying HKFRS 16

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.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, 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.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2024.
[3] Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of what the impact of these amendments and new or revised HKFRSs is expected to be in the period of initial application. The Group did not aware any aspect of the new standards which are likely to have significant impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

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 HKD, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Leases (Continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial assets (Continued)

Debt investments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The following is the measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatory required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("FVTOCI"), as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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 FVTOCI 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other receivables

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

(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. Cash and cash equivalents are assessed for expected credit losses ("ECL").

(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 HKFRSs.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Taxation (Continued)

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets

The Group recognises a loss allowance for 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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

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

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk for a particular financial instrument;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor; or

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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

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).

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Impairment of financial assets (Continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Provisions and contingent liabilities

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.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(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.

4. SIGNIFICANT 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. SIGNIFICANT ACCOUNTING 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.

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.

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.

Estimation of the fair value of certain financial assets classified as level 3 in the fair value hierarchy

The fair value of financial assets at FVTPL that suspended for trading on the Stock Exchange are determined using valuation technique. The Group uses its judgement to select comparable companies and makes assumptions that are mainly based on market conditions existing at the end of reporting period to estimate the fair value of such financial instruments and classifies them as level 3 in the fair value hierarchy. Estimated fair value may differ from the value that would have been used if a readily available market existed. Detail information about the valuation technique is disclosed in note 7.

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 each reporting date. 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 as at 31 December 2022 were HK$339,883 (2021: HK$535,522) and HK$1,216,227 (2021: HK$2,409,992) respectively.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

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 17 to the consolidated financial statements.

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.

6. FINANCIAL RISK MANAGEMENT (Continued)

(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% (2021: 10%) change in the fair values of the listed equity securities except for those which were suspended as at the end of the reporting period, 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 equity**
	%	HK$	HK$
2022			
Equity securities excluding Suspended Equity Securities, at fair value	**10**	**(1,033,514)**	**1,033,514**
	(10)	**1,033,514**	**(1,033,514)**
2021			
Equity securities, at fair value	10	(1,766,044)	1,766,044
	(10)	1,766,044	(1,766,044)

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 four (2021: five) 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
2022	
Tencent Holdings Limited	**28.34%**
Alibaba Group Holding Limited	**19.86%**
DT Capital Limited	**15.13%**
Sunac China Holdings Limited	**6.16%**
2021	
Tencent Holdings Limited	23.89%
Alibaba Group Holding Limited	16.88%
Meituan	9.61%
Pinduoduo Inc.	6.97%
JD.com, Inc.	6.02%

(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 from its operating activities and from its financing activities, including deposits with banks and financial institutions, cash and cash equivalents and other financial instruments.

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 institutional, for which the Group considers have low credit risk.

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Other financial instruments

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. Financial assets at amortised cost include deposits and other receivables.

(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 Group invests in listed securities which are designated as financial assets at FVTPL. Those listed securities are considered readily realisable as they are listed in regulated stock exchanges. Some of the listed securities held by the Group are suspended from trading as at the end of the reporting period, hence such securities are not readily realisable. As a result, the Group may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions.

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk (Continued)

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 2022			
Accruals and other payables	**1,745,833**	**–**	**1,745,833**
Director's loans	**3,000,000**	**–**	**3,000,000**
Lease liability	**1,388,675**	**26,131**	**1,414,806**
	6,134,508	**26,131**	**6,160,639**
At 31 December 2021			
Accruals and other payables	514,332	–	514,332
Lease liability	1,388,675	1,414,806	2,803,481
	1,903,007	1,414,806	3,317,813

(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 then prevailing market condition. The effect from changes in interest rates is considered not significant to the consolidated financial statements.

6. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of financial instruments at 31 December

	2022 **HK$**	2021 HK$
Financial assets:		
Financial assets at FVTPL:		
Mandatorily measured at FVTPL		
– Held for trading	**11,413,341**	17,660,440
Financial assets measured at amortised cost:		
Deposits and other receivables	**409,363**	409,653
Cash and cash equivalents	**323,642**	1,419,050
	733,005	1,828,703
Financial liabilities:		
Financial liabilities measured at amortised cost:		
Accruals and other payables	**1,745,833**	514,332
Director's loans	**3,000,000**	–
Lease liability	**1,329,542**	2,493,106
	6,075,375	3,007,438

(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.

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.

For certain listed equity securities held by the Group, the trading of which on the Stock Exchange has been halted during the current reporting period and remained suspended as at 31 December 2022 (the "Suspended Equity Securities"). The Suspended Equity Securities are included in Level 3 of the fair value measurements and their fair values are determined by independent professional valuer using valuation in accordance with generally accepted valuation methodology. The management of the Group works closely with the valuer to establish the appropriate valuation techniques and inputs to the valuation.

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value hierarchy (Continued)

The following table presents the Group's financial assets at FVTPL measured and recognised at fair value at 31 December 2022 and 31 December 2021 on recurring basis:

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
At 31 December 2022				
Financial assets at FVTPL				
– Listed equity securities excluding the Suspended Equity Securities	**10,335,141**	**–**	**–**	**10,335,141**
– Suspended Equity Securities	**–**	**–**	**1,078,200**	**1,078,200**
	10,335,141	**–**	**1,078,200**	**11,413,341**
At 31 December 2021				
Financial assets at FVTPL				
– Listed equity securities	17,660,400	–	–	17,660,400

(b) Valuation techniques and fair value measurements using significant unobservable inputs (Level 3)

The valuation techniques and significant unobservable inputs used in the fair value measurements with Level 3 is as follow.

	Fair value at 31 December 2022 HK$	Fair value at 31 December 2021 HK$	**Valuation techniques**	**Key Unobservable Inputs***	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Suspended Equity Securities	**1,078,200**	N/A	Market approach	Discounts for market trend	33.74%-37.29%	10% increase/decrease in the discounts for market trend would result in decrease/increase in fair value by approximately HK$164,000.
				Discounts for lack of marketability	33.73%	10% increase/decrease in the discounts for lack of marketability would result in decrease/increase in fair value by approximately HK$162,000.

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Valuation techniques and fair value measurements using significant unobservable inputs (Level 3) (Continued)

Market approach is adopted by applying the average discounts for market trend from the comparable companies, which have similar business nature with the Suspended Equity Securities, and discounts for lack of marketability to the latest quoted prices or observable market data upon suspension of the Suspended Equity Securities.

(c) Transfer between Levels 1 and 3

The Group's policy is to recognise and determines any transfers into and transfers out of any level of fair value hierarchy levels as at the end of the reporting period or date of the change in circumstances that caused the transfer. As at 31 December 2021, the fair values of the financial assets at FVTPL were based on the quoted market prices on the relevant stock exchange, which were within Level 1 fair value measurements. As it is no longer possible to determine the fair value of the Suspended Equity Securities using quoted prices or observable market data after the suspension in current reporting period, there were transfers of fair value measurements of financial assets at FVTPL from Level 1 to Level 3 for the Suspended Equity Securities amounted to HK$2,480,900 during the year ended 31 December 2022 (2021: Nil), which were determined by their latest quoted prices upon the suspension of trading. Save as the transfer of Suspended Equity Securities from Level 1 to Level 3 explained above, there were no other transfers between the levels of the fair value hierarchy for the year ended 31 December 2022. The movements in fair value measurements in Level 3 are as follows:

	2022 **HK$**	2021 HK$
At 1 January	**–**	–
Transfer from Level 1		
– Suspended Equity Securities	**2,480,900**	–
Unrealised losses on Suspended Equity Securities charged to profit or loss	**(1,402,700)**	–
At 31 December	**1,078,200**	–

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".

7. FAIR VALUE MEASUREMENTS (Continued)

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

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

8. REVENUE AND SEGMENT INFORMATION

	2022	2021
	HK$	HK$
Dividend income from listed equity investments	**172,885**	184,102
Bank interest income	**43**	68
Other interest income	**15**	2,028
Revenue	**172,943**	186,198
Proceeds from disposals of financial assets at FVTPL	**15,551,307**	44,208,615

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

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

	2022	2021
	HK$	HK$
Net realised gains on disposals of financial assets at FVTPL	**119,534**	416,992
Net unrealised losses on financial assets at FVTPL	**(3,576,343)**	(5,963,084)
	(3,456,809)	(5,546,092)

10. FINANCE COSTS

	2022	2021
	HK$	HK$
Interest expense on lease liability (note 18)	**225,111**	343,535
Interest expense on other borrowings	**75,876**	272,339
	300,987	615,874

11. LOSS BEFORE INCOME TAX EXPENSE

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

	2022	2021
	HK$	HK$
Auditor's remuneration		
– Audit services	**232,000**	232,000
– Non-audit services	**68,000**	85,000
Depreciation:		
– Property, plant and equipment (note 17)	**195,639**	214,312
– Right-of-use asset (note 18)	**1,193,765**	1,576,929
Written off of property, plant and equipment	**–**	5,088
Employee benefits expense (note 13)	**4,980,000**	5,196,859

12. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2021: 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.

12. 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:

	2022 **HK$**	2021 HK$
Loss before income tax expense	**11,797,983**	(14,991,938)
Tax at Hong Kong Profits Tax rate of 16.5% (2021:16.5%)	**(1,946,667)**	(2,473,670)
Tax effect of income that is not taxable	**(60,807)**	(376,728)
Tax effect of expenses that are not deductible	**53,769**	59,741
Tax effect of temporary differences not recognised	**619,719**	1,007,046
Tax effect of tax losses not recognised	**1,331,272**	1,781,163
Effect of different tax rates of subsidiaries	**2,714**	2,448
Income tax expense	**–**	–

As at 31 December 2022, the Group has following unused tax losses and deductible temporary differences:

	2022 **HK$**	2021 HK$
Tax losses	**101,719,030**	93,650,711
Unrealised losses from financial assets at FVTPL, equity investments listed in Hong Kong	**10,760,222**	7,694,976
	112,479,252	101,345,687

The resulting potential deferred tax assets amounting to HK$18,559,077 (2021: HK$16,722,038) 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.

13. EMPLOYEE BENEFITS EXPENSE

	2022 HK$	2021 HK$
Employee benefits expense including directors' emoluments:		
Basic salaries, fees and allowances	**4,752,000**	4,958,548
Discretionary bonus	**138,000**	138,000
Retirement benefit scheme contributions	**90,000**	100,311
	4,980,000	5,196,859

Five highest paid individuals

The five individuals with the highest emoluments in the Group, included one (2021: one) director whose emoluments are reflected in the analysis presented in note 14. The emoluments of the remaining four (2021: four) individuals are set out below:

	2022 HK$	2021 HK$
Basic salaries and allowances	**1,896,000**	1,896,000
Discretionary bonus	**138,000**	138,000
Retirement benefit scheme contributions	**66,000**	66,000
	2,100,000	2,100,000

The emoluments fell within the following band:

	Number of individuals 2022	 2021
Nil to HK$1,000,000	**4**	4

14. 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 2022 and 2021 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. HE Yu	**120,000**	**–**	**–**	**120,000**
Ms. LIU Li	**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	**–**	**120,000**	**6,000**	**126,000**
Total for 2022	**2,736,000**	**120,000**	**24,000**	**2,880,000**
Executive Directors				
Mr. SUN Bo	2,016,000	–	18,000	2,034,000
Mr. WANG Daming	120,000	–	–	120,000
Mr. CHAN Cheong Yee (Note(i))	148,548	–	7,427	155,975
Non-executive Directors				
Mr. HE Yu	120,000	–	–	120,000
Ms. LIU Li (Note(ii))	65,333	–	–	65,333
Mr. LIANG Qianyuan (Note(iii))	55,000	–	–	55,000
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	–	120,000	6,000	126,000
Total for 2021	2,884,881	120,000	31,427	3,036,308

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

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

Notes:

(i) Appointed on 18 January 2021 and resigned on 15 June 2021

(ii) Appointed on 15 June 2021

(iii) Resigned on 15 June 2021

Neither the chief executive officer nor any of the directors waived or agreed to waive any emoluments during the year (2021: 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 (2021: Nil).

15. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2022 (2021: Nil).

16. 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$11,797,983 (2021: HK$14,991,938) and the weighted average number of 240,480,000 (2021: 236,966,137) ordinary shares in issue during the year.

Diluted loss per share for the years ended 31 December 2022 and 2021 is the same as the basic loss per share as the Company had no potential ordinary shares during the years ended 31 December 2022 and 2021.

17. 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 2021	126,324	342,956	69,527	–	721,199	1,260,006
Additions	–	–	–	154,200	–	154,200
Written off	–	(8,480)	–	–	–	(8,480)
At 31 December 2021 and 1 January 2022	126,324	334,476	69,527	154,200	721,199	1,405,726
Written off	(20,000)	–	–	–	–	(20,000)
At 31 December 2022	106,324	334,476	69,527	154,200	721,199	1,385,726
Accumulated depreciation						
At 1 January 2021	118,799	326,718	69,527	–	144,240	659,284
Charge for the year	7,525	11,150	–	51,399	144,238	214,312
Written off	–	(3,392)	–	–	–	(3,392)
At 31 December 2021 and 1 January 2022	126,324	334,476	69,527	51,399	288,478	870,204
Charge for the year (note 11)	–	–	–	51,399	144,240	195,639
Written off	(20,000)	–	–	–	–	(20,000)
At 31 December 2022	106,324	334,476	69,527	102,798	432,718	1,045,843
Carrying amount						
At 31 December 2022	**–**	**–**	**–**	**51,402**	**288,481**	**339,883**
At 31 December 2021	–	–	–	102,801	432,721	535,522

18. RIGHT-OF-USE ASSET

	HK$
At 1 January 2021	405,629
Commencement of lease	3,581,292
Depreciation	(1,576,929)
At 31 December 2021 and 1 January 2022	2,409,992
Depreciation (note 11)	(1,193,765)
At 31 December 2022	**1,216,227**

18. RIGHT-OF-USE ASSET (Continued)

	2022 HK$	2021 HK$
Depreciation expenses on right-of-use asset (note 11)	**1,193,765**	1,576,929
Interest expense on lease liability (included in finance costs) (note 10)	**225,111**	343,535

Details of total cash outflow for leases are set out in note 26(b).

For both of the year, the Group leases an office for its operations. In December 2020, the Group entered into a proposed lease contract with effective date on 8 January 2021. 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 21.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HK$	2021 HK$
Equity securities excluding Suspended Equity Securities, at fair value		
Listed in Hong Kong	**9,462,159**	15,708,817
Listed outside Hong Kong	**872,982**	1,951,623
	10,335,141	17,660,440
Suspended Equity Securities in Hong Kong, at fair value	**1,078,200**	–
	11,413,341	17,660,440

The carrying amounts of the above financial assets are mandatorily 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.

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

Except for the Suspended Equity Securities, the fair values of the listed securities are based on quoted market prices at the end of the reporting period. The fair values of the Suspended Equity Securities as at 31 December 2022 were determined by the board of directors based on the valuations performed by independent qualified professional valuer by using market approach. During the year ended 31 December 2022, an unrealised loss in respect of fair value changes of the Suspended Equity Securities amounting to HK$1,402,700 (2021: Nil) was recognised in profit or loss, which was determined based on the valuer's opinion about the fair values of these securities as at 31 December 2022. Details of fair value measurements of equity securities are disclosed in note 7. Particulars of the Group's financial assets at FVTPL are as follows:

At 31 December 2022

Name of investee company	Place of incorporation	Number of shares held	Proportion of investee's capital owned	Cost	Market Value	Fair value gains/(losses)	Dividend income received during the year	Dividend cover	Net assets attributable to the Group
				HK$	HK$	HK$	HK$		HK$
Equity securities excluding Suspended Equity Securities									
– Listed in Hong Kong:									
Tencent Holdings Limited ("Tencent")	Cayman Islands	11,900	Less than 1%	6,499,920	3,974,600	(2,525,320)	148,770	14.75	1,012,070
Alibaba Group Holding Limited ("Alibaba")	Cayman Islands	32,300	Less than 1%	7,015,900	2,785,875	(4,230,025)	–	N/A	1,630,418
DT Capital Limited ("DT Capital")	Cayman Islands	37,230,000	Less than 2%	1,458,276	2,122,110	663,834	–	N/A	1,419,670
New Silkroad Culturaltainment Limited ("New Silkroad")	Bermuda	1,900,000	Less than 1%	1,202,546	338,200	(864,346)	–	N/A	982,825
JD.com, Inc. ("JD")	Cayman Islands	567	Less than 1%	129,730	124,854	(4,876)	2,793	N/A (note)	42,917
HSBC Holdings Plc ("HSBC")	England	2,400	Less than 1%	178,200	116,520	(61,680)	5,083	2.82	173,123
– Listed outside Hong Kong:									
Meta Platforms, Inc. ("Meta")	United States of America	600	Less than 1%	1,043,109	560,808	(482,301)	–	N/A	262,101
Ping An Insurance (Group) Company of China, Ltd. ("Ping An Insurance")	People's Republic of China ("PRC")	6,000	Less than 1%	523,839	312,174	(211,665)	14,743	3.53	320,971
Suspended Equity Securities in Hong Kong:									
Sunac China Holdings Limited ("Sunac China")	Cayman Islands	430,000	Less than 1%	2,776,106	864,300	(1,911,806)	–	N/A	7,969,153
China Evergrande Group ("Evergrande")	Cayman Islands	310,000	Less than 1%	2,039,903	213,900	(1,826,003)	–	N/A	5,389,004
				22,867,529	11,413,341	(11,454,188)			

Note: Special dividend was declared by JD during the year ended 31 December 2022. Dividend cover is not applicable for the special dividend recognised by the Group during the year ended 31 December 2022.

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

At 31 December 2021

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	Net assets attributable to the Group HK$
Equity securities									
– Listed in Hong Kong:									
Tencent Holdings Limited	Cayman Islands	11,900	Less than 1%	6,499,920	5,435,920	(1,064,000)	16,160	12.69	1,222,790
Alibaba Group Holding Limited	Cayman Islands	32,300	Less than 1%	7,015,900	3,840,470	(3,175,430)	–	N/A	1,755,911
Meituan	Cayman Islands	9,700	Less than 1%	2,455,591	2,186,380	(269,211)	–	N/A	243,156
JD.com, Inc.	Cayman Islands	5,000	Less than 1%	1,384,270	1,370,000	(14,270)	–	N/A	404,855
DT Capital Limited	Cayman Islands	23,280,000	Less than 1%	944,946	977,760	32,814	–	N/A	1,077,614
Sunac China Holdings Limited	Cayman Islands	73,000	Less than 1%	1,339,500	859,940	(479,560)	66,000	4.74	2,256,383
China Evergrande Group	Cayman Islands	310,000	Less than 1%	2,039,903	492,900	(1,547,003)	–	N/A	5,389,004
New Silkroad Culturaltainment Limited	Bermuda	1,900,000	Less than 1%	1,202,546	229,900	(972,646)	–	N/A	1,011,467
HSBC Holdings Plc	England	2,400	Less than 1%	178,200	112,560	(65,640)	4,105	4.27	179,836
Baidu, Inc.	Cayman Islands	700	Less than 1%	176,400	101,220	(75,180)	–	N/A	64,073
Blue Moon Group Holdings Limited	Cayman Islands	10,500	Less than 1%	138,180	77,700	(60,480)	724	3.77	22,828
JD Health International Inc.	Cayman Islands	350	Less than 1%	24,703	21,507	(3,196)	–	N/A	5,213
Sunac Services Holdings Limited	Cayman Islands	322	Less than 1%	3,735	2,560	(1,175)	23	4.31	1,247
– Listed outside Hong Kong:									
Pinduoduo Inc.	Cayman Islands	3,500	Less than 1%	1,610,652	1,585,162	(25,490)	–	N/A	64,972
Ping An Insurance (Group) Company of China, Ltd.	PRC	6,000	Less than 1%	523,839	366,461	(157,378)	14,667	7.06	326,513
				25,538,285	17,660,440	(7,877,845)			

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

(a) Tencent is principally engaged in providing of value-added services ("VAS") and online advertising 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 others 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 2022 was approximately HK$219,190,149,000 (2021: HK$271,000,439,000). As at 31 December 2022, the audited consolidated net asset value attributable to owners of Tencent was approximately HK$813,801,187,000 (2021: HK$987,313,126,000).

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

(b) 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 2022 was approximately HK$2,536,063,000 (2021: HK$60,882,343,000). As at 30 September 2022, the unaudited consolidated net asset value attributable to owners of Alibaba was approximately HK$1,069,367,730,000 (2021: HK$1,178,977,988,000). The audited consolidated profit attributable to owners of Alibaba for the year ended 31 March 2022 was approximately HK$74,778,317,000 (2021: HK$180,399,662,000). As at 31 March 2022, the audited consolidated net asset value attributable to owners of Alibaba was approximately HK$1,111,048,301,000 (2021: HK$1,127,776,410,000).

(c) DT Capital is to invest 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 2021 was HK$4,781,495 (2020: HK$40,913,149). As at 31 December 2021, the audited consolidated net asset value attributable to owners of DT Capital was HK$126,614,100 (2020: HK$115,679,132). The unaudited consolidated loss attributable to owners of DT Capital for the six months ended 30 June 2022 was HK$22,311,263 (2021: profit of HK$370,288). As at 30 June 2022, the unaudited consolidated net asset value attributable to owners of DT Capital was HK$104,302,837 (2021: HK$116,049,420).

(d) Sunac China is principally engaged in the businesses of property development and investment, property management services and operations in the PRC. The audited consolidated loss attributable to owners of Sunac China for the year ended 31 December 2021 was approximately HK$46,124,220,000 (2020: profit of HK$40,088,557,000). As at 31 December 2021, the audited consolidated net asset value attributable to owners of Sunac China was approximately HK$100,983,693,000 (2020: HK$149,735,424,000).

(e) Meta develops products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality headsets, wearables, and in-home devices worldwide. It operates in two segments, Family of Apps and Reality Labs. The Family of Apps segment's products include Facebook, Instagram, Messenger and WhatsApp, The Reality Labs segment provides augmented and virtual reality related products comprising virtual reality hardware, software, and content that help people feel connected, anytime, and anywhere. The audited consolidated profit attributable to owners of Meta for the year ended 31 December 2022 was approximately HK$181,688,480,000 (2021: HK$306,038,758,000). As at 31 December 2022, the audited consolidated net asset value attributable to owners of Meta was approximately HK$981,567,104,000 (2021: HK$973,806,442,000).

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

(f) New Silkroad is principally engaged in the production and distribution of wine. It operates its business through three segments. The Production and Distribution of Wine segment engages in the production and distribution of wine. The Development and Operation of Real Estate, Integrated Resort and Cultural Tourism segment engages in the development and operation of real estate, integrated resort and cultural tourism. The Entertainment Business segment engages in the operation of entertainment business. The unaudited consolidated loss attributable to owners of New Silkroad for the six months ended 30 June 2022 was approximately HK$73,318,000 (2021: HK$11,793,000). As at 30 June 2022, the unaudited consolidated net asset value attributable to owners of New Silkroad was approximately HK$1,659,212,000 (2021: HK$1,707,565,000). The audited consolidated profit attributable to owners of New Silkroad for the year ended 31 December 2021 was approximately HK$61,864,000 (2020: loss of HK$92,028,000). As at 31 December 2021, the audited consolidated net asset value attributable to owners of New Silkroad was approximately HK$1,809,150,000 (2020: HK$1,694,593,000).

(g) Ping An Insurance is principally engaged in provision of integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities and other assets management as well as banking. The audited consolidated profit attributable to owners of Ping An Insurance for the year ended 31 December 2022 was approximately HK$97,546,446,000 (2021: HK$122,490,337,000). As at 31 December 2022, the audited consolidated net asset value attributable to owners of Ping An Insurance was approximately HK$968,671,268,000 (2021: HK$994,789,923,000).

(h) Evergrande is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. The unaudited consolidated profit attributable to owners of Evergrande for the six months ended 30 June 2021 was approximately HK$17,262,477,000 (2020: HK$7,209,042,000). As at 30 June 2021, the unaudited consolidated net asset value attributable to owners of Evergrande was approximately HK$229,542,024,000 (2020: HK$142,818,417,000). The audited consolidated profit attributable to owners of Evergrande for the year ended 31 December 2020 was approximately HK$9,083,077,000 (2019: HK$19,592,064,000). As at 31 December 2020, the audited consolidated net asset value attributable to owners of Evergrande was approximately HK$175,091,302,000 (2019: HK$162,819,750,000).

(i) JD is principally engaged in e-commence business. It provides the technology infrastructure to its customers, including online retail and online marketplace through its retail mobile apps and website, the marketing service to business partners, the integrated supply chain solutions and logistics service, primarily including warehousing and distribution services. The unaudited consolidated profit attributable to owners of JD for the year ended 31 December 2022 was approximately HK$12,086,472,000 (2021: audited loss of HK$4,291,224,000). As at 31 December 2022, the unaudited consolidated net asset value attributable to owners of JD was approximately HK$240,698,185,000 (2021: audited net asset value of HK$255,811,520,000).

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

(j) HSBC provides banking and financial services worldwide through Wealth and Personal Banking, Commercial Banking, and Global Banking and Markets segments. HSBC offer current and savings accounts, mortgages and personal loans, credit and debit cards, local and international payment, credit and lending, treasury management, cash management, commercial insurance, investment services, commercial cards, international trade and receivables finance services, foreign exchange products, capital raising services on debt and equity markets, advisory and securities services. The audited consolidated profit attributable to owners of HSBC for the year ended 31 December 2022 was approximately HK$116,077,011,000 (2021: HK$97,999,254,000). As at 31 December 2022, the audited consolidated net asset value attributable to owners of HSBC was approximately HK$1,463,875,072,000 (2021: HK$1,545,953,500,000).

20. DIRECTOR'S LOANS

During the year ended 31 December 2022, the Group obtained loans from a director, Mr. SUN Bo, amounting to HK$3,000,000. The director's loans were carried at amortised cost. The director's loans were unsecured, interest free and repayable within one year.

21. LEASE LIABILITY

	Minimum lease payments		**Present value of minimum lease payments**	
	2022	2021	**2022**	2021
	HK$	HK$	**HK$**	HK$
Within one year	**1,388,675**	1,388,675	**1,303,657**	1,163,564
Within a period of more than one year but not exceeding two years	**26,131**	1,388,675	**25,885**	1,303,657
Within a period of more than two years but not exceeding five years	**–**	26,131	**–**	25,885
	1,414,806	2,803,481	**1,329,542**	2,493,106
Less: Future finance charges	**(85,264)**	(310,375)	**N/A**	N/A
Present value of lease obligations	**1,329,542**	2,493,106	**1,329,542**	2,493,106
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,303,657)**	(1,163,564)
Amount due for settlement after 12 months			**25,885**	1,329,542

22. PROVISION

	Office premise restoration HK$
As at 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	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.

23. SHARE CAPITAL

	Note	Number of shares	Amount HK$
Authorised:			
Ordinary shares of HK$0.02 each			
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022		1,000,000,000	20,000,000
Issued and fully paid:			
Ordinary shares of HK$0.02 each			
At 1 January 2021		200,400,000	4,008,000
Issue of shares	(a)	40,080,000	801,600
At 31 December 2021, 1 January 2022 and 31 December 2022		240,480,000	4,809,600

23. SHARE CAPITAL (Continued)

Note:

(a) On 12 January 2021, the Company and CNI Securities Group Limited entered into a placing agreement in respect of the placement of 40,080,000 ordinary shares of HK$0.02 each ("the 2021 Placing Shares") to independent investors at a price of HK$0.188 each. The placement was completed on 2 February 2021 and the 2021 Placing Shares were issued and allotted to not less than six placees, at the placing price of HK$0.188 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$6,657,509 (net of share issue expenses of HK$75,931) 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 2022 and 2021.

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.

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

(a) Statement of financial position of the Company

	Notes	2022 HK$	2021 HK$
Non-current assets			
Investment in subsidiaries		**1,660**	1,660
Property, plant and equipment		**51,402**	102,801
Right-of-use asset		**1,216,227**	2,409,992
Refundable rental deposit		**403,129**	403,129
		1,672,418	2,917,582
Current assets			
Financial assets at fair value through profit or loss		**11,413,341**	17,660,440
Amounts due from subsidiaries		**1,138,472**	1,038,010
Prepayments and deposits		**313,452**	309,801
Cash and cash equivalents		**319,231**	1,408,233
		13,184,496	20,416,484
Current liabilities			
Accruals and other payables		**1,725,833**	487,333
Director's loans		**3,000,000**	–
Lease liability		**1,303,657**	1,163,564
		6,029,490	1,650,897
Net current assets		**7,155,006**	18,765,587
Total assets less current liabilities		**8,827,424**	21,683,169
Non-current liabilities			
Lease liability		**25,885**	1,329,542
Provision		**300,000**	300,000
		325,885	1,629,542
NET ASSETS		**8,501,539**	20,053,627
Equity attributable to owners of the Company			
Share capital	23	**4,809,600**	4,809,600
Reserves	24(b)	**3,691,939**	15,244,027
TOTAL EQUITY		**8,501,539**	20,053,627

Approved by the Board of Directors on 29 March 2023 and is signed on its behalf by:

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

24. 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 2021	65,687,433	28,040,011	(70,418,234)	23,309,210
Issue of shares (note 23(a))	6,657,509	–	–	6,657,509
Loss and total comprehensive income for the year	–	–	(14,722,692)	(14,722,692)
At 31 December 2021 and 1 January 2022	72,344,942	28,040,011	(85,140,926)	15,244,027
Loss and total comprehensive income for the year	–	–	(11,552,088)	(11,552,088)
At 31 December 2022	**72,344,942**	**28,040,011**	**(96,693,014)**	**3,691,939**

25. 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.

25. 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.

26. 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.

	Lease liability HK$
At 1 January 2021	277,602
Commencement of lease	3,165,570
Cash flows	(1,293,601)
Interest expense	343,535
At 31 December 2021 and 1 January 2022	2,493,106
Cash flows	(1,388,675)
Interest expense	225,111
At 31 December 2022	**1,329,542**

26. 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:

	2022 **HK$**	2021 HK$
Within financing cash flows	**1,388,675**	1,293,601

These amounts relate to the following:

	2022 **HK$**	2021 HK$
Lease rental paid	**1,388,675**	1,293,601

27. SHARE OPTIONS

During the years ended 31 December 2022 and 2021, 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 2022 and 2021.

28. CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any significant contingent liabilities (2021: Nil).

29. NET ASSET VALUE PER SHARE

The net asset value per share is HK$0.03 as at 31 December 2022 (2021: HK$0.08). The calculation of the net asset value per share is based on the net assets of the Group as at 31 December 2022 of HK$7,650,684 (2021: HK$19,449,336) and the number of ordinary shares of 240,480,000 (2021: 240,480,000) in issue as at that date.

30. RELATED PARTY TRANSACTIONS

The key management personnel of the Group comprises all directors and the chief executive officer, details of their remuneration are disclosed in note 14.

31. IMPACTS OF COVID-19 PANDEMIC

The outbreak of Novel Coronavirus ("COVID-19") has dealt a big blow on the global business environment. In preparing the consolidated financial statements, the Group applies fair value approach to measure its financial assets at FVTPL. The fair value of the Group's financial assets at FVTPL has been suffering from fluctuations since 2020 due to the COVID-19 outbreak.

32. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, there are no material subsequent events undertaken by the Group after 31 December 2022 till the date of this report.

33. INVESTMENTS IN SUBSIDIARIES OF THE COMPANY

Particulars of the subsidiaries as at 31 December 2022 and 2021 are as follows:

Name	Place of incorporation/ registration	Particulars of issued share capital/ registered capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities and place of operation
			Direct	Indirect	
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))	PRC	RMB2,000,000	–	100%	Dormant

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 29 March 2023.