Dedicate Our Wonderful Way, Assure You.

DOWWAY HOLDINGS LIMITED
天平道合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8403

ANNUAL REPORT 2024

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This report, for which the directors (the "**Directors**") of Dowway Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report will remain on the "Latest Listed Company Information" page of the Stock Exchange at https://www.hkexnews.hk for at least 7 days from the date of its publication and published on the website of the Company at www.dowway-exh.com.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Huang Xiaodi
(Chairman of the Board and Chief Executive Officer)
Mr. Yan Jinghui
Mr. Dong Kejia
Mr. Shum Ngok Wa
Mr. Chen Xicheng (appointed on 24 April 2024)
Mr. Li Huaguo (appointed on 22 January 2025)

Non-executive Director:

Mr. Lian Mingcheng (appointed on 24 April 2024)

Independent Non-executive Directors:

Ms. Xu Shuang
Mr. Gao Hongqi (resigned on 7 June 2024)
Mr. Tsoi Ka Shing (resigned on 5 September 2024)
Mr. Tam Chak Chi (appointed on 5 September 2024)
Ms. Yau Yin Tan (appointed on 5 September 2024)
Mr. Ma Lin (appointed on 22 January 2025)

AUDIT COMMITTEE

Mr. Tsoi Ka Shing *(Chairman)*
(resigned on 5 September 2024)
Mr. Tam Chak Chi *(Chairman)*
(appointed on 5 September 2024)
Ms. Xu Shuang
Mr. Gao Hongqi (resigned on 7 June 2024)
Ms. Yau Yin Tan (appointed on 5 September 2024)

REMUNERATION COMMITTEE

Mr. Tam Chak Chi *(Chairman)*
(appointed on 5 September 2024)
Mr. Gao Hongqi *(Chairman)* (resigned on 7 June 2024)
Mr. Tsoi Ka Shing (resigned on 5 September 2024)
Mr. Shum Ngok Wa
Ms. Yau Yin Tan (appointed on 5 September 2024)

NOMINATION COMMITTEE

Ms. Xu Shuang *(Chairman)*
Mr. Gao Hongqi (resigned on 7 June 2024)
Mr. Yan Jinghui
Mr. Tam Chak Chi (appointed on 5 September 2024)

COMPANY SECRETARY

Mr. Leung Gavin, L. *(HKICPA)*
(appointed on 28 June 2024)
Ms. Tang So Him *(ACG, HKACG)*
(resigned on 28 June 2024)

COMPLIANCE OFFICER

Mr. Huang Xiaodi

AUTHORISED REPRESENTATIVES

Mr. Huang Xiaodi
Mr. Leung Gavin, L. *(HKICPA)*
(appointed on 28 June 2024)
Ms. Tang So Him *(ACG, HKACG)*
(resigned on 28 June 2024)

STOCK CODE

8403

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
42/F., Central Plaza
18 Harbour Road,
Wanchai, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

(since 28 June 2024)
Room 529–533, 5/F.,
Beverley Commercial Centre,
87–105 Chatham Road,
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Kowloon, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

Room No. 501–509, 5th Floor
Run Cheng Centre
No. 12 Dongdaqiao Road
Chaoyang District
Beijing 100020
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1–1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKER

Bank of Communications
Yong An Li Branch
1/F, Genertime International Centre
No. 3 Yong An Li East
Chaoyang District
Beijing, PRC

COMPANY'S WEBSITE

http://www.dowway-exh.com

FINANCIAL SUMMARY

FINANCIAL SUMMARY

	For the year ended 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	144,166	170,016	177,132	117,446	**140,164**
Cost of sales and services	(143,542)	(155,705)	(171,751)	(111,584)	**(123,738)**
Gross Profit	624	14,311	5,381	5,862	**16,426**
Selling expenses	(4,270)	(6,582)	(7,843)	(8,936)	**(7,199)**
Administrative expenses	(12,227)	(12,012)	(11,729)	(12,635)	**(18,299)**
Net impairment losses on financial and contract assets	(1,536)	(3,070)	(22,376)	(1,811)	**(2,132)**
Other gains and losses, net	1,177	539	311	192	**5,805**
Operating loss	(16,232)	(6,814)	(36,256)	(17,328)	**(5,399)**
Finance costs, net	(510)	(793)	(702)	(577)	**(1,183)**
Loss before income tax	(16,742)	(7,607)	(36,958)	(17,905)	**(6,582)**
Income tax (expense) credit	(1,092)	(44)	504	987	**259**
Loss for the year	(17,834)	(7,651)	(36,454)	(16,918)	**(6,323)**

SUMMARY OF SELECTED ITEMS IN THE CONSOLIDATED BALANCE SHEET

	At 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Total non-current assets	4,326	11,656	7,876	3,578	**1,606**
Total current assets	121,409	137,204	129,195	105,348	**129,510**
Total assets	125,735	148,860	137,071	108,926	**131,116**
Total liabilities	69,316	98,898	116,578	105,351	**127,427**
Net current assets	52,986	44,811	18,715	1,953	**4,419**

CHAIRMAN'S STATEMENT

TO ALL SHAREHOLDERS,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Dowway Holdings Limited (the "**Company**," together with its subsidiaries, the "**Group**"), I am pleased to present the Group's annual results for the year ended 31 December 2024 (the "**Year**").

The Group continues to stand out as a premier integrated exhibition and event management service provider in the People's Republic of China (the "**PRC**"), specializing in the design, planning, coordination, and management of comprehensive exhibitions and events across more than 50 key cities. Our professional services and exceptional performance have earned us a strong reputation and a solid client base over the years. It is proud to be trusted by prominent global brands such as Lamborghini, Volkswagen, and various other prestigious German and Italian automobile brands to manage their product showcases, promotions, and sales campaigns. Beyond the automotive sector, we harness our expertise to serve a wide range of industries, delivering customized project-related services. This strategic diversification not only strengthens our capabilities but also broadens our reach, ensuring our sustained leadership in the exhibition and event management industry.

In 2024, despite facing a challenging environment marked by rising external pressures and internal difficulties, the PRC government steadfastly committed to pursuing progress while maintaining stability. They fully embraced the new development philosophy and accelerated efforts to foster a new development pattern, prioritizing high-quality growth. As a result, the national economy remained stable, demonstrating steady progress and notable achievements. The timely implementation of various incremental policies effectively bolstered social confidence, leading to a remarkable economic recovery. Consequently, the primary targets and objectives for economic and social development were successfully achieved.

China's gross domestic product (GDP) grew by 5%, surpassing RMB130 trillion for the first time and successfully achieving key economic and social development goals. The service sector exhibited remarkable growth, contributing significantly to the national economy. Meanwhile, the exhibition industry showcased steady growth and resilience, hosting 3,844 trade and economic exhibitions that covered a total area of 155 million square meters with a 10.1% year-on-year increase. However, the industry saw a significant decline in small exhibitions while medium and large exhibitions grew, reflecting an optimized structure.

During the Year, the Group managed and coordinated 133 exhibition and event projects and 13 exhibition showroom projects, among which 1,885 orders through our one-stop value chain services and with the support of our SaaS platform, collectively generating revenue of approximately RMB140.16 million, representing a year-on-year increase of RMB22.72 million or approximately 19.34%. For the new business segments of one-stop value chain service, the Group generated revenue of RMB15.96 million during the Year. The Group reported a gross profit of approximately RMB16.43 million, an increase of approximately RMB10.56 million year-on-year, reflecting a remarkable growth of approximately 180.21%. This surge was mainly driven by robust revenue from our core exhibition and events-related services, alongside our successful transition to a one-stop value chain service and SaaS platform, which significantly boosted our revenue streams.

The Board does not recommend the payment of any dividend for the Year.

CHAIRMAN'S STATEMENT

Strategic Expansion into Credit Leasing and Digital Transformation

In 2020, China's credit leasing market was valued at RMB162.2 billion and is projected to surge to RMB714.7 billion by 2025, reflecting a remarkable compound annual growth rate of 34.3%. By 2028, the Gross Merchandise Value of China's new leasing industry is expected to reach RMB340 billion, primarily driven by leasing 3C digital products (Computer, Communication, and Consumer Electronics) and consumer-oriented leasing.

To ensure sustainable growth and profitability, our Company has actively explored new business opportunities in the consumer market and service industry. This year, we initiated an organizational upgrade, bringing in a new management team with innovative ideas and advanced technologies, laying a strong foundation for our ongoing digital transformation. In response to market dynamics, we strategically entered the leasing sector, aligning with current trends and reinforcing our commitment to sustainable development. We established a non-wholly-owned subsidiary in Wuhan, PRC, focused on the credit leasing industry, and developed a Software as a Service (SaaS) platform for merchants leasing 3C products.

During the Year, we completed the first phase of the SaaS platform, which supports essential leasing operations such as order and contract management, procurement payments, and sales collections. We are now progressing to the second phase, which will introduce value-added services like biometric identification and electronic contract leasing.

For the new business segment of electronic commerce, the Group has generated revenue arising from one-stop value chain services of RMB15.96 million during the Year and revenue arising from SaaS platform services of RMB1.49 million during the Year. The Group recorded a gross profit of approximately RMB16.43 million, which increased by approximately RMB10.56 million period-on-period, which was mainly due to the Group's effective cost control.

Looking Ahead

China's economy is expected to maintain steady growth, targeting a GDP of around 5%, supported by policy measures and advancements in technology, particularly in artificial intelligence (AI). Despite external challenges, the government remains committed to boosting domestic consumption and stabilizing key sectors such as consumer and manufacturing. This cautious yet optimistic outlook highlights China's resilience and its strategic focus on high-quality development and innovation.

The exhibition market is evolving rapidly, and exhibitors must upgrade their technology to keep pace with market trends. Embracing advancements like AI and big data is essential to stay competitive and leverage emerging opportunities. The industry has also seen an accelerated market-oriented transformation, reducing the proportion of government-hosted exhibitions while increasing international alignment. Going forward, continuous market-driven growth is anticipated to steer the industry's development toward greater intelligence and sustainability.

The Group remains committed to its "customer-oriented" service philosophy and the principle of "high quality and efficiency; cooperation to achieve a win-win situation." We will diligently monitor development trends in the PRC exhibition and related services industries, diving deep into the needs of our core customers to provide tailored, dedicated services.

As we venture into the leasing sector, the Group is dedicated to integrating its advanced leasing SaaS platform and blockchain technology while developing a robust risk control system. Our objective is to create a comprehensive SaaS business ecosystem that encompasses supply chain management, big data risk control, smart contracts, and judicial dispute resolution, enhancing our capabilities and streamlining operations to deliver increased value-added services to our clients. Concurrently, we will expand our advertising and exhibition promotion businesses, capitalizing on opportunities in the new leasing market to solidify our leadership in the industry, creating synergies that drive long-term growth across all business lines.

In line with the Company's ongoing development strategy for sustainable growth and higher shareholder returns, the Board is actively exploring new business opportunities within the consumer sector, which will diversify revenue streams and strengthen our competitive position, ultimately generating long-term value for our shareholders and investors.

In closing, on behalf of the Board of Directors, I want to express our heartfelt appreciation to our shareholders, customers, and business partners for their unwavering support, and to our dedicated colleagues for their hard work and commitment to the Group's success.

Huang Xiaodi
Chairman, Chief Executive Officer and Executive Director

Beijing, China, 31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, China's economic landscape exhibited resilient growth, with the National Bureau of Statistics reporting a gross domestic product (GDP) of approximately RMB13,490.84 billion, reflecting a 5.0% increase from the previous year. Notably, the value added by the service sector reached RMB7,655.83 billion, also marking a 5.0% growth and contributing 56.2% to national economic growth. The service sector's share of GDP rose to 56.7%, an increase of 0.5% year-on-year, underscoring its pivotal role as a driving force behind China's economic expansion.

The modern service industry has provided robust support for the accelerated development of new productive forces, effectively catering to the needs of the real economy. A deep integration between modern services and advanced manufacturing has been critical, enhancing the value chain and fostering advancements in digital and intelligent capabilities. The demand for service consumption has continued to grow, with service retail sales increasing by 6.2%, outpacing the 3.0% growth in commodity retail sales during the same period. The rise of new business models, such as live-streaming e-commerce and instant retail, coupled with a rich supply of high-quality cultural and sports entertainment activities, has invigorated the exhibition and event management industry, mirrored a commendable performance in their operations.

The recovery of the macroeconomic environment has also positively impacted the automobile industry. According to data from the China Association of Automobile Manufacturers (中國汽車工業協會), vehicle production and sales in 2024 reached 31.28 million and 31.43 million units, marking increases of 3.7% and 4.5% respectively. This is the second consecutive year that vehicle production and sales have surpassed 30 million units, playing a vital role in sustaining industrial economic growth. While maintaining its position as the world's largest automobile market for 16 consecutive years, China's new energy vehicles continue to experience robust growth. Sales of domestically produced high-end passenger vehicles reached 4.738 million units, a year-on-year increase of 2.3%. This achievement reflects not only China's vast market advantage and increasingly refined supply chain but also the accelerated structural adjustments and enhanced resilience and vitality of the automotive sector.

According to "*China Exhibition Economy Development Report 2024* (《中國展覽經濟發展報告2024》)" issued by the China Council for the Promotion of international Trade (中國國際貿易促進委員會 or 中國貿促會), a total of 3,844 trade exhibitions were held domestically in 2024, covering an exhibition area of 155 million square meters. While the number of exhibitions remained stable compared to the previous year, the exhibition area grew by 10.1%, indicating a steady development trend in the exhibition industry.

In 2024, the Chinese exhibition sector seized opportunities presented by new productive forces, actively exploring the application of emerging technologies such as human-computer interaction and artificial intelligence (AI). This has propelled the rapid evolution of new exhibition scenarios, models, and formats. The exhibition industry has also become a significant platform for showcasing achievements in new productive forces, with strategic emerging industries and future industries becoming popular themes. In 2024, a total of 1,064 industrial and technological exhibitions were held across the country, ranking first among all types of exhibitions, a significant increase of 63.4% year-on-year.

Moreover, the automobile-related exhibition sector has witnessed profound transformations fueled by rapid technological revolutions. A notable example is the 28th Guangdong-Hong Kong-Macao Greater Bay Area Auto Show (粵港澳大灣區車展) and China New Energy Vehicle Technology Exhibition (中國新能源汽車科技展) held in June 2024, which expanded to cover 200,000 square meters and attracted approximately 200 automotive brands and organizations. The event hosted over 50 brand launches, showcasing 1,036 vehicle models, and drew over 860,000 attendees, resulting in 40,026 pre-orders and over RMB10 billion in transaction value. The concurrent debut of the China New Energy Vehicle Technology Exhibition highlighted the application of advanced technologies in the automotive industry, with nearly 100% of participating brands showcasing intelligent products.

Looking ahead to 2025, several major exhibitions have already confirmed their schedules, including the 33rd East China Fair 2025 Shanghai (第三十三屆華東進出口商品交易會), the 137th China Import and Export Fair (Canton Fair) (第一百三十七屆中國進出口商品交易會 or「廣交會」), the 8th China International Import Expo (第八屆中國國際進口博覽會), and the 27th China High-Tech Fair (第二十七屆中國國際高新技術成果交易會), etc. This demonstrates a strong trend towards increased investment in providing comprehensive, high-tech, one-stop upgraded services within the exhibition and curation industry. Maintaining a keen awareness of industry upgrades and transformations will be essential as we navigate these promising developments.

*Research sources:
參見批註欄

BUSINESS REVIEW

In 2024, the Group reaffirmed its status as a prominent leader in China's exhibition and event management sector, renowned for delivering exceptional integrated services. Building upon over a decade of industry experience, the Group has solidified its reputation as a reliable partner in automotive display, promotion, and sales. The Group provides a full-stack suite of solutions that encompass every aspect of exhibition and event execution, including meticulous design and planning, seamless coordination, and efficient management, all tailored to meet the diverse needs of our clients. Guided by our steadfast corporate culture and protocols, we expertly handle the synthesis of theme development, venue design, feasibility studies, procurement of materials and equipment, multi-party coordination, on-site supervision, booth construction, and the installation of cutting-edge audiovisual and lighting systems.

Automobile-related exhibitions and events are one of the key drivers of our revenue. Our client roster features prestigious global automobile brands, including Lamborghini and Volkswagen, as well as other renowned German and Italian manufacturers. In recent years, the emergence and rise of domestic automobile brands have also presented numerous opportunities for our business expansion. While our core expertise is in the automotive sector, we remain adaptable and extend our services to a wide array of non-automotive exhibitions and event management projects.

Acknowledging the critical importance of risk mitigation and business diversification, one of our significant initiatives has been to upgrade and strengthen non-automotive sectors. This includes the innovative introduction of a one-stop value chain service and SaaS platform service aimed at broadening our portfolio and enhancing our market presence. In respect of the SaaS platform service business, the Group focuses on developing a SaaS platform solution that integrates supply chain management, risk control and customer relationship management. Currently, the Group provides SaaS platform services to a merchant in the 3C leasing industry, encompassing computers, communication devices, and consumer electronics. The Group now plans to further enhance the platform to cater for chain restaurants and other merchandise trading industries.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the Group successfully completed 133 exhibition and event projects, 13 showroom projects, and 1,885 orders through our one-stop value chain services and with the support of our SaaS platform. These strategic initiatives yielded impressive results, generating total revenue of approximately RMB140.2 million, reflecting a remarkable increase of approximately 19.34% compared to 2023.

Our efforts in establishing new business branches stem from a keen awareness of the exhibition industry's shift toward comprehensive, high-tech, one-stop upgraded services. This transition has become essential, prompting us to make substantial investments in relevant areas. Our goal is to lay a solid foundation for sustainable development, allowing us to quickly adapt to the evolving business landscape fueled and reformed by artificial intelligence and ensure robust growth within the arena.

FINANCIAL REVIEW

Revenue

The Group primarily generates revenue by providing comprehensive services encompassing exhibition and event design, planning, coordination, and management, selling consumer products, and providing digital platform services within the People's Republic of China (the "PRC"). To provide a clear breakdown of revenue from business operations, the following table presents the comparative figures for the years ended on 31 December 2024 and 2023, respectively.

	For the year ended 31 December			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Revenue from automobile related exhibitions and events	**49,672**	**35.44%**	52,701	44.88%
Revenue from non-automobile related exhibitions and events	**67,910**	**48.45%**	48,814	41.56%
Revenue from exhibitions showroom related services	**5,134**	**3.66%**	5,884	5.01%
Revenue from advertisement related services	**–**	**–**	10,047	8.55%
Revenue from one-stop value chain service	**15,959**	**11.39%**	–	–
Revenue from SaaS platform service	**1,489**	**1.06%**	–	–
Total	**140,164**	**100%**	117,446	100%

For the year ended 31 December 2024, the Group experienced significant revenue growth, increasing from approximately RMB117.45 million for the year ended 31 December 2023 to approximately RMB140.16 million for the Year, representing a year-on-year increase of approximately 19.34%, or approximately RMB22.72 million. This growth was largely driven by our core business in exhibition and events-related services, complemented by the successful introduction of our one-stop value chain service and SaaS platform service fees. The Group is strategically transitioning from advertisement-related services to a one-stop value chain service model. This strategic shift is designed to leverage our existing capabilities and expertise, allowing us to maximize resources and enhance profitability. The positive results of this initiative indicate that our efforts are successfully driving revenue growth while aligning the Group with more lucrative business avenues.

During the Year, revenue from exhibitions and events-related services increased from approximately RMB101.52 million for the year ended 31 December 2023 to approximately RMB117.58 million for the Year, representing a year-on-year increase of approximately 15.83% or approximately RMB16.07 million and accounting for 83.89% of the total revenue for the Year.

Revenue from one-stop value chain services during the Year was approximately RMB15.96 million (2023: Nil), contributing to 11.39% of the total revenue for the Year.

Revenue from providing SaaS platform services for the Year recorded approximately RMB1.49 million (2023: Nil) and accounted for 1.06% of the total revenue for the Year.

Cost of sales and services

Cost of sales and services increased from approximately RMB111.58 million for the year ended 31 December 2023 to approximately RMB123.74 million for the Year, representing a year-on-year increase of approximately 10.89% or approximately RMB12.15 million. The increase can primarily be attributed to the rise in the cost of sales arising from one-stop value chain services and SaaS platform services.

This significant rise in the cost of sales underscores the importance of managing operational efficiencies as we continue to pursue our strategic shifts. By focusing on higher-margin business opportunities, we aim to optimize costs while enhancing revenue potential, ensuring sustainable growth for the Group moving forward.

Gross Profit and Gross Profit Margin

During the Year, the Group recorded a gross profit of approximately RMB16.43 million, representing a year-on-year increase of approximately RMB10.56 million as compared with approximately RMB5.86 million for the year ended 31 December 2023. The gross profit margin was approximately 11.72% for the Year, compared to 4.99% recorded for the year ended 31 December 2023. This represents a substantial increase of 134.87%.

The Group achieved a remarkable year-on-year increase in gross profit of approximately 180.21%, or approximately RMB10.56 million. This substantial growth in gross profit was primarily driven by the rise in sales revenue for the Year, alongside the necessary investments made to maintain a consistent and high-quality service level. These efforts are crucial for competing effectively and securing market share, particularly as demand for exhibition services has surged during the economic recovery.

This strong performance not only reflects our commitment to delivering exceptional services but also aligns with our strategic initiatives. It reinforces our confidence in exploring new opportunities and expanding into new arenas with a positive outlook for the future. By consolidating our dominant position in the industry, we are well-equipped to capitalize on emerging market trends and drive sustained growth.

Selling expenses

The Group's selling expenses mainly consist of (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; and (iv) others.

Selling expenses for the Year were approximately RMB7.20 million, representing a year-on-year decrease of approximately 19.44% or approximately RMB1.74 million as compared to selling expenses of approximately RMB8.94 million for the year ended 31 December 2023.

Administrative expenses

The Group's administrative expenses mainly comprise (i) staff costs; (ii) travelling expenses; (iii) entertainment expenses; (iv) office supplies; (v) subsidies paid to staff; (vi) management consulting and other services expenses; and (vii) others.

Administrative expenses for the Year were approximately RMB18.30 million, representing a year-on-year increase of approximately 44.83% or approximately RMB5.66 million as compared to administrative expenses of approximately RMB12.64 million for the year ended 31 December 2023.

Other gains and losses, net

Other gains and losses, net for the Year were approximately RMB5.81 million, mainly due to the settlement discount from suppliers, governmental grant and sundries. Other gains and losses, net increased by approximately RMB5.61 million compared to approximately RMB0.19 million for the year ended 31 December 2023.

Finance income

Finance income included interest income on bank balances and deposits. The Group's finance income for the Year was approximately RMB25,000 (2023: approximately RMB14,000).

Finance expenses

Finance expenses mainly represented interest expenses on bank and other borrowings and interest expenses on lease liabilities. For the Year, the Group's finance expenses were approximately RMB1,208,000 (2023: approximately RMB591,000).

Loss before income tax

As a result of the foregoing, the Group recorded a loss before income tax of approximately RMB6.58 million for the Year, representing a year-on-year decrease of approximately RMB11.32 million as compared with a loss of approximately RMB17.91 million for the year ended 31 December 2023, which was mainly due to the growth of the revenue and gross profit for the Year.

Income tax credit

Income tax credit decreased from approximately RMB987,000 for the year ended 31 December 2023 to approximately RMB259,000 for the Year.

Loss for the Year

As a cumulative effect of the factors cited above, the Group recorded a loss of approximately RMB6.32 million for the Year, while the loss was approximately RMB16.92 million for the year ended 31 December 2023. The year-on-year decrease was approximately RMB10.60 million.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure

The capital structure of the Group comprises only ordinary shares. As at 31 December 2024, the Company's total number of issued shares (the "**Shares**") of USD0.002 each was 127,000,000 (31 December 2023: 120,000,000 Shares).

Cash position

The following table sets forth the selected cash flow data from the Consolidated Statements of Cash Flows for the years ended 31 December 2023 and 2024.

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Net cash (used) from operating activities	**(20,854)**	2,114
Net cash from investing activities	**1**	2
Net cash from financing activities	**14,625**	5,860
Net (decrease) increase in cash and cash equivalents	**(6,228)**	7,976
Cash and cash equivalents at the end of the Year	**6,211**	12,439

As of 31 December 2024, cash and cash equivalents of the Group were approximately RMB6.21 million (2023: approximately RMB12.44 million), which was mainly denominated in RMB and Hong Kong dollars.

Borrowings

As of 31 December 2024, the Group had bank and other borrowings of approximately RMB28.56 million (2023: approximately RMB17.98 million). As at 31 December 2024, bank borrowings bear fixed interests ranging from 2.45% to 4.00% (2023: 2.80% to 4.00%) per annum and the other borrowings bear fixed interests ranging from 8% to 12% (2023: Nil) per annum. Save as disclosed in this report, there were no other outstanding bank overdrafts, unutilised banking facilities, debt securities, other similar indebtedness, acceptance credits, hire purchase commitments, mortgages, charges, material contingent liabilities nor guarantees outstanding (2023: Nil). The Group did not have any unutilised banking facilities nor plans for any material external debt financing.

The Directors confirm that there has been no material adverse change in the Group's indebtedness and contingent liabilities for the Year.

Pledge of assets

As of 31 December 2024, there were approximately RMB1 million pledge bank balance of the Group was pledged for bills payables (2023: approximately RMB1 million).

Gearing ratio

The Group's gearing ratio as of 31 December 2024 and 31 December 2023 were as follows:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Total interest-bearing borrowings	**28,563**	17,976
Total equity	**3,689**	3,575
Gearing ratio	**774.27%**	502.83%

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any capital commitment in respect of the acquisition of a subsidiary and purchase of assets (2023: Nil).

DIVIDEND

The Board did not recommend the payment of any dividend for the Year (2023: Nil).

USE OF NET PROCEEDS FROM THE PLACING OF NEW SHARES

According to the Company's announcements on 24 June 2024 and 31 October 2024, the subscribers, who are independent third parties completed the subscriptions of up to 4,000,000 and 3,000,000 subscription shares respectively at the subscription price of HK$1.00 per subscription share. The net proceeds from the subscriptions are approximately HK$3,950,000 and HK$2,950,000 respectively after deducting subscription expenses. The Company has applied the net proceeds according to the use of proceeds stated in the announcements of the Company dated 3 June 2024 and 21 October 2024 respectively. Uses of net proceeds as of 31 December 2024 are listed as follows:

	Planned use of proceeds *HK$'000*	Percentage of actual use of proceeds from 1 January 2024 up to 31 December 2024	Actual use of proceeds from 1 January 2024 up to 31 December 2024 *HK$'000*	Unutilized net proceeds as at 31 December 2024 *HK$'000*
Enhance e-commerce service segment	700	10.14%	700	–
Working capital and other general corporate purpose	6,200	89.86%	6,200	–
Total	**6,900**	**100%**	**6,900**	**–**

All the proceeds from the subscriptions of new shares have been utilized by 31 December 2024.

On 19 March 2025, the Company entered into three subscription agreements with three subscribers in relation to the subscription of new shares, anticipating estimated net proceeds of around HK$8,950,000. As of the date of this report, the subscriptions for new shares has not yet been completed.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces the following principal risks and uncertainties that may materially and adversely affect its business, financial status, and operating results:

1. The exhibition services industry in the PRC has relatively low entry barriers and competition is keen within the industry.

2. The Group's business depends heavily on the provision of exhibition and event management services in the automobile industry.

3. The majority of the Group's customers are automobile companies and there is no assurance that it can successfully diversify its customer base.

4. There is no assurance that the demand for integrated exhibition and event management services the Group provides can continue or increase.

5. There may be fluctuations in the Group's cost of service which it may not be able to pass on to customers.

6. The Group may face cash flow problems if it is unable to receive payments from customers on time and in full under the current pricing policy.

7. The Group may be exposed to litigation risk as a result of the engagement of suppliers without obtaining written consent from customers.

8. The Group relies on suppliers for the provision of construction services, leasing of equipment, and logistics and transportation services, hence, may have to bear the consequences should these suppliers deliver substandard services on its own.

9. The Group relies on its senior management and other key personnel and may not be able to retain these staff to provide services.

10. The Group may not be able to implement its business strategies and its future growth could be limited.

11. The control and prevention of the pandemic around the world remain challenging and risky and may continue to influence the resumption of work and production of the exhibition industry in the PRC to normal, which may in turn have a material and adverse effect on the Group's business, financial position, and results of operations.

MANAGEMENT DISCUSSION AND ANALYSIS

The cost of exhibition and event-related services provided by suppliers makes up a significant portion of the Group's cost of service. The following uncertainties may affect the Group's efforts to implement cost-control measures:

1. As human resources and costs of construction materials and equipment are the major components of the cost of exhibition and event-related services, any increase in the wages of suppliers' employees and average consumer prices may push up the lump sum cost of exhibition and event-related services provided by suppliers.

Major risks and uncertainties relating to the implementation of business strategies

1. The Group expects to tender proposals to potential new customers with lower profit margins in the short run in connection with its future expansion into new segments in the market, and such expansion could exert great pressure on the allocation of resources.

2. The Group cannot guarantee that it will have sufficient resources to support future development. Its future growth is also subject to the preferences of potential clients and the overall market situation. Failure to execute an expansion strategy effectively may lead to higher costs, inefficient operation flow, and a decline in profitability.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other future plans for material investments, and capital assets during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS RELATED TO THE SUBSIDIARIES AND ASSOCIATED COMPANIES AND SIGNIFICANT INVESTMENT

During the Year, the Group did not have any material acquisitions and disposals related to the subsidiaries and associated companies nor any significant investment.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no significant contingent liabilities (2023: Nil).

HUMAN RESOURCES

As of 31 December 2024, the Group employed a total of 70 employees, among which 11 of them were at the management level, all stationed in the PRC and Hong Kong. For the Year, the staff costs (including Directors' emoluments) were approximately RMB16.16 million (2023: approximately RMB13.44 million). The Group conducts periodic performance review with employees and determines their salaries, benefits, and discretionary bonuses based on factors including qualifications, contributions, years of experience, and performance.

In accordance with the applicable PRC and Hong Kong laws and regulations, the Group has made contributions to social security insurance, housing provident funds and mandatory provident fund for all eligible staff. For the year ended 31 December 2024, the total amount contributed in these areas by the Group was approximately RMB2.90 million. The Group has complied with all the requirements about social security insurance and housing provident fund obligations applicable under the PRC laws and regulations.

In order to continually maintain the quality, knowledge, and skills of employees, the Group has provided various training opportunities, which include on-the-job training, technical training, and professional training.

The Group has maintained a good working relationship with its employees. During the Year, the Group had not experienced any significant labor disputes which were likely to have an adverse material impact on business, financial conditions, and results of operations.

The Company's policy concerning emoluments of Directors is that (i) the amount of emoluments is determined on the basis of the relevant Director's experience, responsibility, workload, and the time devoted to the Company; and (ii) non-cash benefits may be provided to the Directors under their remuneration package.

FOREIGN EXCHANGE RISK

The Group is not exposed to any significant foreign exchange risk in the normal course of business, as it operates in the PRC with the majority of the transactions being conducted and settled in RMB.

CREDIT RISK

Credit risk exposures arise principally in cash and cash equivalents, trade and other receivables and contract assets shown on consolidated balance sheets.

The Group takes on exposure to credit risk, which is the risk that a customer or counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is one of the most significant risks for the Group's business.

For cash at the bank, the Group manages the credit risk by placing its domestic deposits in reputable nationwide financial institutions with good credit ratings in the PRC and overseas deposits in reputable international financial institutions. The Group believes those banks and financial institutions are of high-credit-quality without significant credit risk and therefore it considers its cash at bank are not at high credit risk.

The Group's trade receivables arise from exhibition and event marketing services fees, over 70% of which are in turn derived from major customers that are renowned automobile companies. Should there be a change in the strategic relationships with these major customers that might cause a change in the cooperative arrangements; or if they experience financial difficulties themselves which in turn causes difficulties in their settling payables to the Group, the Group's revenue from those automobile companies might be adversely affected due to deterioration in the recoverability of trade receivables from them.

To manage this risk, the Group's management team maintains frequent communications with their contacts at those automobile companies to ensure the Group captures the most updated understanding of relevant customers' business status and assesses their credibility. In view of the smooth cooperation history with these automobile companies and the reliable collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable balances due from those automobile companies is low. As for new customers, the management is responsible for managing and analysing the credit risk for each of their new customers before they offer such new customers standard payment and delivery terms and conditions. To do such an assessment, various factors including their financial position and other factors about these new customers would be considered.

The Group's other receivables comprise deposits, staff advance, and loans to employees, which have a low risk of default, thus the Group considers its other receivables are not at high credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY RISK

The Group regularly monitors current and expected liquidity demand to ensure that it maintains sufficient cash reserves to meet related demand in the short and long run. The Group monitors liquidity position through rolling forecasts of liquidity requirements in order to ensure that it has sufficient cash on hand to satisfy operational needs.

OUTLOOK

According to KPMG's report, "*China Economic Monitor: 2025 Q1*," China's real GDP growth rate reached 5% in 2024, which was below 5.2% in 2023 but met the central government's "around 5%" target. This marked the first time that the total economic output surpassed 130 trillion yuan. However, it is essential to note that the economy will still face downward pressures in the near term, characterized by persistently low prices that reflect weak expectations among businesses and households, indicating that the recovery of domestic demand remains tenuous.

Furthermore, with the potential re-election of Donald Trump, global trade tensions are likely to resurface, heightening external uncertainties for China. In response, the central government has prioritized the vigorous stimulation of consumption, enhancement of investment efficiency, and comprehensive expansion of domestic demand as key objectives for 2025. KPMG anticipates that the economic growth target for this year's National People's Congress will remain around 5%, with macroeconomic policies reaching historically significant levels. The IMF has revised China's economic growth forecast for 2025 to 4.6%. The United Nations' flagship report, "*World Economic Situation and Prospects 2025,*" predicts a slight deceleration in growth from 4.9% in 2024 to 4.8% in 2025 for China. Although substantial public investment and robust exports will support economic growth, sluggish consumer spending, a persistently weak real estate sector, and a slow recovery in household confidence continue to pose challenges to economic activity.

In light of these dynamics, the Group's primary focus will remain on cost efficiency enhancement, striving to solidify our existing business models while accelerating integration with emerging industries. Building on a foundation of stability, we aim for a smooth transition towards a business structure that aligns with new high-tech advancements, pursuing elevated standards of operational excellence. We will continue to explore effective cost-control measures and meticulously plan to optimize operational and personnel expenses.

The Group is committed to forging strategic partnerships in key markets, promoting resource exchange and catalyzing innovation in our product offerings and customer service models, all while ensuring optimal resource utilization. Our strategic initiatives have been thoughtfully designed to diversify our client base across high-growth sectors and accelerate digital transformation through targeted technology investments. We aim to pursue projects that offer enhanced profit margins to maximize profitability and implement programs focused on operational efficiency. By adopting a proactive approach, we are poised to adapt swiftly to market demands and capitalize on emerging opportunities.

As part of our forward-looking strategy, the Company is actively considering the acquisition of a business entity operating within the digital services sector in Mainland China, anticipated in the next few months. This strategic initiative underscores our commitment to expanding operational capabilities and optimizing technological integration to enhance both customer-facing services and internal processes. The management team is diligently conducting a robust evaluation of the prospective target. This process encompasses a detailed analysis of its market position, operational performance metrics, financial health, and alignment with our strategic vision. Particular focus is placed on identifying synergistic opportunities that could amplify growth, enhance operational efficiency, and unlock long-term value.

Each exhibition and curatorial event centred around different themes, serves as an invaluable opportunity for us to deeply understand our client's needs while seamlessly integrating exceptional technology and professional expertise. From the perspective of capital accumulation, the Group is always prepared to strengthen its capabilities to ensure sustained growth and enhance profitability. In the coming year, we will focus on expanding our partnerships and improving our service feedback channels to genuinely listen to the voices of our clients and consumers. We will continue our pursuit of excellence in diversified business expansion and proactive development.

The Company is committed to solidifying its status as a comprehensive industry leader, partnering with our clients to achieve mutual business success and maximize benefits while consistently delivering sustainable returns for our shareholders.

EVENTS AFTER THE REPORTING PERIOD

On 19 March 2025, the Company and three independent third parties, named CT Vision Strategic Company Limited, Hu Zhixi and Xu Linxin, entered into three subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and CT Vision Strategic Company Limited, Hu Zhixi and Xu Linxin have conditionally agreed to subscribe for 6,000,000, 1,000,000 and 2,000,000 new ordinary shares (the "Subscription Shares") of the Company at HK$1 per subscription share respectively.

The Subscription Shares represent approximately 6.62% of the issued and enlarged share capital of the Company upon the completion of the subscription.

The estimated aggregate gross and net proceeds of the Subscriptions will be HK$9,000,000 and approximately HK$8,950,000 respectively, which are intended to be used for general working capital of the Group.

Details are set out in the Company's announcement dated 19 March 2025.

*Research sources:

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Huang Xiaodi ("Mr. Huang") (黃曉迪), aged 39, is the chairman of the Board, the chief executive officer of the Company, an executive Director, the compliance officer of the Company and a controlling shareholder. He was appointed as a Director on 28 April 2017 and re-designated as an executive Director on 28 October 2017. Mr. Huang is responsible for the Group's overall management, strategic development, major decision-making of the Group and overseeing compliance matters of the Group.

He obtained his certificate in arts and design via the Self-Taught Higher Education Examinations (高等教育自學考試) from Wuchang University of Technology (武昌理工學院) in June 2013. Mr. Huang has more than 12 years of professional experience in the area of exhibition and event management industry. He has worked as a senior manager at Beijing Dowway International Exhibition Company Limited ("**Beijing Dowway**") since January 2008 and as the chairman of the board of directors since March 2010, responsible for the overall management and business development and expansion. Mr. Huang is an engineer (construction engineering) recognised by Kunming Construction Engineering (Intermediate Rank) Qualification Committee (昆明市建築工程中級工程師評審委員會) since November 2015.

Mr. Huang was previously a general partner of Tianjin Tianping Chuangxin Corporate Management Consultancy Centre (Limited Partnership), which was deregistered on 2 April 2018. He confirmed that such entity was solvent immediately before the time of deregistration and he did not incur any debt and/or liabilities because of such deregistration.

Mr. Huang is currently holding 15% of the equity interest in Lanse Shenyu Internet Technology (Tianjin) Company Limited, which does not conduct any business which competes, or is likely to compete, either directly or indirectly, with the business of the Group. He is also an executive director and general manager of Tianjin Dowway International Exhibition Company Limited.

Mr. Yan Jinghui ("Mr. Yan") (閆景輝), aged 40, is an executive Director and a member of the nomination committee of the Company. He obtained his certificate in arts and design via the Self-Taught Higher Education Examinations (高等教育自學考試) from Wuchang University of Technology (武昌理工學院) in December 2013. Mr. Yan has more than 12 years of professional experience in the area of exhibition and event management industry. He joined Beijing Dowway since August 2009 as the project director and has become the director of Beijing Dowway since July 2017.

Mr. Dong Kejia ("Mr. Dong") (董可嘉), aged 43, is an executive Director. He has over 12 years of experience in the management and investment industry. Mr. Dong obtained the degree of Master of Art in Rural Regional Development from Renmin University of China in 2013.

Mr. Dong joined Sinofert Holdings Limited (Stock Code: 0297), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), in December 2005 and left with his last position as the investment director in May 2013. He joined Genertec Universal Medical Group Company Limited (Stock Code: 2666), the shares of which are listed on the Main Board of the Stock Exchange, in May 2013 and left with his last position as the general representative of Overseas Investment and Securities Affairs in July 2019. From November 2020 to October 2022, Mr. Dong was the deputy general manager of CT Vision S.L. (International) Holdings Limited (Stock Code: 0994), the shares of which are listed on the Main Board of the Stock Exchange, which he was responsible for the investment matters.

From November 2019 to May 2020, Mr. Dong served as the representative (SFC License 1, 4, 9) of Forwin Capital Management Limited. He joined Royal Morgan Fund Management Company Limited in June 2020, left with his last position as the responsible officer (SFC License 1, 4, 9) and managing director in October 2020. He has participated in the establishment, investment and financing activities of multiple domestic and overseas Renminbi and United States dollar funds.

Mr. Shum Ngok Wa ("Mr. Shum") (沈岳華), aged 35, is an executive Director and a member of the remuneration committee of the Company. He has over 14 years of experience in the finance industry and profound experience in corporate management. Mr. Shum obtained the degree of Bachelor of Business Administration (Honours) in Quantitative Finance and Risk Management from City University of Hong Kong in July 2011. He is also a Certified Financial Risk Manager (FRM) of the Global Association of Risk Professionals since 2013.

Mr. Shum has served as an independent non-executive director, a member of the audit committee and a member of the remuneration committee of Chi Kan Holdings Limited (Stock Code: 9913), the shares of which are listed on the Main Board of the Stock Exchange since February 2024. Mr. Shum served as a non-executive director of Leadway Technology Investment Group Limited (formerly known as HNA Technology Investments Holdings Limited) (Stock Code: 2086), the shares of which are listed on the Main Board of the Stock Exchange, from August 2021 to July 2022.

From September 2012 to February 2018, Mr. Shum worked in credit and risk control department of Kingston Securities Limited and he was responsible for credit assessment and risk control matters. From July 2019 to February 2022, Mr. Shum worked in Premium Financial Limited and left with his last position as a director. He was responsible for overall management and operation of money lending business in Hong Kong.

Mr. Chen Xicheng ("Mr. Chen") (陳希成), aged 40, is an executive Director. He has more than 19 years of experience in technology and product development, project management and strategic planning in the information technology field, as well as in-depth understanding of corporate digital transformation and a wealth of project cases. He earned a bachelor's degree from the Department of Computer Science and Technology of Southeast University (東南大學) in June 2006 and a master's degree from the School of Software Engineering of Nanjing University (南京大學) in December 2010. He is currently a permanent member of the Enterprise Strategy Research Institute of Jiangsu Province* (江蘇企業戰略研究會) and a member of the General Alumni Association of Southeast University (東南大學南京校友會).

Mr. Chen served as the general manager of Nanjing Suning Software Technology Co., Ltd.# (南京蘇寧軟件技術有限公司), a subsidiary of Suning.com Co., Ltd. (SZ.002024) (蘇寧易購集團), from April 2016 to February 2024. He was the chief technology officer of Beijing Ronghai Data Technology Co., Ltd.* (北京融海數據科技股份有限公司) from May 2007 to April 2016.

In the past, Mr. Chen led the establishment of virtualization and big data platforms for large enterprises such as China Mobile (中國移動), China Tobacco (中國煙草) and Ping An Insurance (平安保險). He was also responsible for the product and technology management of PP Sports (PP體育), Carrefour (家樂福), and Suning Youhuo* (蘇寧有貨), helping PP Sports become the No. 1 sports media platform in China, and Carrefour China create an O2O business technology platform to become the first large supermarket offering omnichannel retail service.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen has entered into a letter of appointment as executive Director with the Company for an initial term of three years commencing from 24 April 2024, which is terminable by either party by giving to the other three month's prior notice in writing. Mr. Chen will be entitled to a director's remuneration of his remuneration of HK$600,000 per annum and his remuneration for being the Executive President is HK$1,200,000 per annum, which had been approved by the Board on the recommendation of the remuneration committee of the Board (the "**Remuneration Committee**") and determined with reference to his general duties and responsibilities and the prevailing market conditions.

Mr. Chen, who was appointed as an executive Director effective from 25 April 2024, attended a training on 24 April 2024 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Chen has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

Mr. Li Huaguo ("Mr. Li") (李華國), aged 43, is an executive Director. He obtained his diploma in business management from the Xi'an Jiaotong University in the People's Republic of China (the "**PRC**") in 2020. Mr. Li has more than 20 years of experience in new metal material industry and has served in management positions at various private companies. He is currently the chairman of Dongguan Yuegang Stainless Steel Products Co., Ltd.* (東莞市粵鋼不銹鋼製品有限公司), Guangdong Steel (Hong Kong) International Holdings Co., Ltd.* (粵鋼（香港）國際控股有限公司), Guangdong Yuegang New Material Technology Co., Ltd.* (廣東省粵鋼新材料科技有限公司) and Yangtze River Zhongyue Group (Guangdong) Co., Ltd* (長江中粵集團（廣東）有限公司). Mr. Li was also the chairman of Dongguan Lianmeng Metal Products Co., Ltd.* (東莞市聯盟金屬製品有限公司) from 2007 to 2024. Mr. Li also holds several social positions, including but not limited to Vice Chairman of the Hong Kong Screw & Fastener Council* (香港螺絲協會), Executive Vice President of Fastener Industry Association of Shenzhen, China* (深圳市緊固件協會), Vice President of Yangjiang High tech Enterprises Association* (陽江市高新科技術企業協會), and President of the Yangjiang New Social Strata Association* (陽江市新的社會階層人士聯合會).

Mr. Li has entered into a letter of appointment as executive Director with the Company for an initial term of three years commencing from 22 January 2025, which is terminable by either party by giving to the other three month's prior notice in writing. Mr. Li shall hold office only until the first annual general meeting of the Company after his appointment and shall be subject to re-election at such meeting in accordance with the Articles. The remuneration of Mr. Li will be determined by the Remuneration Committee after taking into account the prevailing market conditions and his duties and responsibilities in the Company.

Mr. Li was interested in 10,000,000 shares, represented approximately 7.87% total shareholdings of the Company as at the date of this Report.

Mr. Li Huaguo, who was appointed as an executive Director effective from 22 January 2025, attended a training on 10 January 2025 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Li has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

NON-EXECUTIVE DIRECTORS

Mr. Lian Mingcheng ("Mr. Lian") (連明成), aged 42, is a non-executive Director. He obtained a bachelor's degree in Political Science from the PLA's Nanjing Political College* (南京政治學院) in June 2006 and a master's degree in Economics from Nankai University (南開大學) in June 2012. In July 2011 and March 2016, Mr. Lian was qualified as a practitioner in banking industry and fund industry in the PRC, respectively.

Mr. Lian has over 13 years of management experience in banking and fund sectors of the financial industry and has established extensive governmental and market network in the PRC and Southeast Asian countries. Mr. Lian served as a vice president of Qianlong Holdings Group* (乾隆控股集團) from January 2020 to April 2023, a vice president of Beijing-based Guoshang Fund* (北京國商基金) from January 2016 to December 2019, a manager of the international business department of the Beijing Branch of Bank of China (中國銀行北京分行) from July 2011 to December 2015.

Mr. Lian has entered into a letter of appointment as non-executive Director with the Company for an initial term of three years commencing from 24 April 2024, which is terminable by either party by giving to the other three month's prior notice in writing. The remuneration of Mr. Lian will be determined by the Remuneration Committee after taking into account the prevailing market conditions and his duties and responsibilities in the Company.

Mr. Lian, who was appointed as a non-executive Director effective from 25 April 2024, attended a training on 24 April 2024 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Lian has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Xu Shuang ("Ms. Xu") (徐爽), aged 46, is an independent non-executive Director, the chairman of the nomination committee of the Company and a member of the audit committee of the Company since 16 May 2018. She obtained her bachelor degree in craftsmanship and arts from Tsinghua University (清華大學) in July 2000 and her master degree in computer software engineering from Beijing University of Technology (北京工業大學) in January 2016. Ms. Xu has been a qualified lecturer recognised by Beijing Zhuanye Jishu Zhiwu (Intermediate Professional Rank) Qualification Committee (北京市中級專業技術職務評審委員會) since October 2005.

Ms. Xu has been a lecturer of Beijing University of Technology (北京工業大學) since July 2000. She also worked as an administration officer at China Artists Association's committee of sculptural art (中國美術家協會雕塑藝術委員會) from April 2002 to May 2007 and as the chief editor at Yipin (《藝品》雜誌) from August 2014 to December 2016.

Mr. Tam Chak Chi ("Mr. Tam") (譚澤之), aged 48, is an independent non-executive Director, the chairman of the audit committee, the chairman of the remuneration committee and a member of the nomination committee of the Company. He holds a bachelor's degree of commerce from the University of Toronto. He is a fellow member of the Taxation Institute of Hong Kong, a member of the American Institute of Certified Public Accountants and a member of The Chartered Global Management Accountant.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tam has more than 21 years of experience in accounting, auditing and financial services and has served various positions at various private and listed companies. He is currently an independent non-executive director of Basic House New Life Group Limited (formerly known as AL Group Limited), a company listed on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 8360); and an independent non-executive director of Wealth Glory Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8269). From August 2019 to July 2024, Mr. Tam was an independent non-executive director of Wisdom Wealth Resources Investment Holding Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0007), and from December 2018 to September 2023, Mr. Tam was executive director of Ocean Star Technology Group Limited, a company listed on the GEM of the Stock Exchange (stock code: 8297). Currently, Mr. Tam is the Chief Financial Officer & Executive Director of EcoSmart Energy Management Limited, a private company incorporated in Hong Kong and he is also a financial consultant of various private companies.

Mr. Tam has entered into a letter of appointment as independent non-executive Director with the Company for an initial term of three years commencing from 5 September 2024, which is terminable by either party by giving to the other three months' prior notice in writing. Mr. Tam shall hold office only until the first annual general meeting of the Company after his appointment and shall be subject to re-election at such meeting in accordance with the Articles. Mr. Tam will be entitled to a director's remuneration of HK$120,000 per annum, which had been approved by the Board on the recommendation of the Remuneration Committee and determined with reference to his general duties and responsibilities and the prevailing market conditions.

Mr. Tam, who was appointed as an independent non-executive Director effective from 5 September 2024, attended a training on 3 September 2024 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Tam has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

Ms. Yau Yin Tan ("Ms. Yau") (丘燕丹), aged 37, is an independent non-executive Director, a member of the audit committee and a member of the remuneration committee of the Company. She holds a bachelor's degree of Business Administration (Honours) in Accountancy from City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. Yau has more than 10 years of experience in accounting, auditing and financial services. Currently, Ms. Yau is the Director of Alliance Capital Partners Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and she is responsible for providing corporate finance advisory services for the listed issuers and execution of initial public offering transactions. From 2011 to 2015, Ms. Yau worked with BDO Limited, and she was responsible for the audit works for various listed and unlisted clients.

Ms. Yau has entered into a letter of appointment as independent non-executive Director with the Company for an initial term of three years commencing from 5 September 2024, which is terminable by either party by giving to the other three month's prior notice in writing. Ms. Yau shall hold office only until the first annual general meeting of the Company after her appointment and shall be subject to re-election at such meeting in accordance with the Articles. Ms. Yau will be entitled to a director's remuneration of HK$120,000 per annum, which had been approved by the Board on the recommendation of the Remuneration Committee and determined with reference to her general duties and responsibilities and the prevailing market conditions.

Ms. Yau, who was appointed as an independent non-executive Director effective from 5 September 2024, attended a training on 3 September 2024 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Ms. Yau has confirmed her understanding of the information provided by the legal adviser and her obligations as a director of a listed issuer.

Mr. Ma Lin ("Mr. Ma") (馬林), aged 42, is an independent non-executive Director. He obtained his bachelor's degree in computer science from the Southwest Jiaotong University in PRC in 2005 and his executive master of business administration degree (EMBA) from the Guanghua School of Management of the Peking University in the PRC in 2019.

Mr. Ma has approximately 20 years of work experience in computer science and investment. Mr. Ma is currently the chairman of Chengdu Sheng Yu Investment Management Company Limited* (成都盛裕投資管理有限公司), a position he held since 2015. Prior to that, Mr. Ma was the chairman of Chengdu Ren Xin Technology Company Limited* (成都任新科技有限公司) from 2011 to 2014 and the general manager of Guangzhou Shenhong Network Technology Co., Ltd.* (廣州市深紅網絡科技有限公司) from 2008 to 2011.

Mr. Ma has entered into a letter of appointment as an independent non-executive Director with the Company for an initial term of three years commencing from 22 January 2025, which is terminable by either party by giving to the other three month's prior notice in writing. Mr. Ma shall hold office only until the first annual general meeting of the Company after his appointment and shall be subject to re-election at such meeting in accordance with the Articles. The remuneration of Mr. Ma will be determined by the Remuneration Committee after taking into account the prevailing market conditions and his duties and responsibilities in the Company.

Mr. Ma, who was appointed as an independent non-executive Director effective from 22 January 2025, attended a training on 16 January 2025 pursuant to Rule 5.02D of the GEM Listing Rules covering the requirements under the GEM Listing Rules as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. Ma has confirmed his understanding of the information provided by the legal adviser and his obligations as a director of a listed issuer.

COMPANY SECRETARY

Mr. Leung Gavin L. ("Mr. Leung") (梁家榮), aged 50, joined the Group as the Company Secretary and the Authorised Representative under the Listing Rules and the Authorised Representative under the Companies Ordinance from 28 June 2024. Mr. Leung is a member of both Hong Kong Institute of Certified Public Accountants and Certified Practising Accountant Australia. He has over 20 years of experience in auditing, financial management, accounting and company secretarial. He obtained his bachelor's degree of commerce, accounting and finance from Curtin University of Technology in 2006 and his master of laws from University of Greenwich in 2022.

* *For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Bao Xianglong ("Mr. Bao") (包向龍), aged 38, is a design director and supervisor of Beijing Dowway and is responsible for the project designs and graphic designs of exhibitions and events and managing the design department.

Mr. Bao has more than 11 years of professional experience in the area of exhibition and event management industry. He joined the Group since August 2009 as a designer of Beijing Dowway and subsequently as a design director in March 2012 and was appointed as the supervisor of Beijing Dowway in July 2017.

Mr. Zhang Xin ("Mr. Zhang") (張鑫), aged 41, is a sales director of Beijing Dowway and he is responsible for the sales and business development. With more than 11 years of experience in exhibition and event management, Mr. Zhang is professional at exhibition execution, planning and video and audio designing and execution. Mr. Zhang is also proficient at large exhibition and launch event control and has deep and unique insight of this industry. He is capable to precisely grasp the direction and control the quality of large event and brand exhibition.

Ms. Yao Zhihong ("Ms. Yao") (姚志宏), aged 44, is a sales director of Beijing Dowway and she is responsible for planning the customer relationship strategies and overseeing customer relationship matters. With over 11 years of professional experience in exhibition and event management, Ms. Yao is a senior expert at planning, organizing and operation of auto branding events and specialized at luxury car exhibition and launch event. She is capable to precisely grasp the exhibition process, quality requirements and tonality of branding exhibition for luxury car, and possesses abundant experience at large auto exhibition and launch event.

DISCLOSURE REQUIRED UNDER RULE 17.50(2) OF THE GEM LISTING RULES

Save as disclosed in this report, each of our Directors confirms with respect to him/her that: (a) he/she has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (b) he/she did not hold other positions in our Company or other members of our Group; (c) he/she did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of our Company; (d) he/she does not have any interests in our Shares within the meaning of Part XV of the SFO, save as disclosed in this Report; (e) he/she does not have any interest in any business which competes or is likely to compete, directly or indirectly, with the Group, which is discloseable under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**"); and (f) to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no additional information relating to our Directors or senior management that was required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and no other matter with respect to their appointments that needed to be brought to the attention of our shareholder.

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 April 2017. The Company is an investment holding company. The Group is one of the leading integrated exhibition and event management service provider in the PRC. It mainly serves as a project manager for exhibitions and events and provides a comprehensive range of related services. These services include design, planning, coordination and management of exhibitions and events covering theme, stage and venue design and overall planning, feasibility studies, procurement of construction materials and equipment. As part of its project management, the Group also conducts liaison with suppliers and/or personnel for construction of backdrops, stages and exhibition booths as well as installation of audio, visual and lighting equipment and facilities, and on-site supervision. Depending on customers' requirements and the themes of exhibitions and events, the Group provides integrated management services which include design, planning, coordination and management of construction and installation works. It may also, upon request, design specific themes for relevant exhibitions and events and coordinate with different suppliers for executing design and layout plans, in accordance with the types and objectives of the exhibition or event.

The Group has established a new subsidiary to supply consumer products in the PRC. The subsidiary commenced business in April 2024. The market is mainly in Wuhan, PRC. The subsidiary supplies consumer products to customer by instalments. The subsidiary company cooperates with well-known consumer goods suppliers in the PRC, evaluates merchants based on its own risk control system, and provides merchants with supplies within the scope of credit in installment mode.

In order to enhance the Group's digital service capability to target clients, the Group aims to develop an enterprise resource planning SaaS technology solution, integrating supply chain management, risk control management, blockchain application and customer relationship management function specifically for enterprise clients in the industry based on the characteristics and development trends of the business. The Company successfully completed the first phase of development, which established a credit leasing SaaS platform capable of supporting key leasing operations including order management, contract management, procurement payments, and sales collections. The Group has been providing SaaS platform service to a merchant in 3C leasing industry enabling the management of their supply chain operations.

Analysis of the principal activities of the Group during the Year are set out in Note 14 to the consolidated financial statements.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 82 of this annual report.

DIVIDEND POLICY

This policy is made by the Group pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Rule 17.10 of the GEM Listing Rules.

The Board has approved and adopted a dividend policy of the Company on 22 March 2021 (the "**Dividend Policy**").

DIRECTORS' REPORT

It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst preserving the Company's reserves to finance future development. The Board shall consider the following factors before declaring or recommending dividends:

- the Group's results of operations;
- the Group's cash flow position;
- the Group's business position and future development plan;
- the Group's future operations and profitability;
- legal and regulatory restrictions; and
- any other factors that the Board deems appropriate.

The payment of such dividend is also subject to any restrictions under the Companies Law of the Cayman Islands, any applicable laws, rules and regulations. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

DIVIDEND

The Board did not recommend the payment of any dividend for the Year (2023: Nil).

BUSINESS REVIEW AND FINANCIAL KEY PERFORMANCE INDICATORS

The business review of the Group and analysis by financial key performance indicators are set out in the sections headed "Chairman's Statement" on pages 5 to 7 and "Management Discussion and Analysis — Business Review and Financial Review" on pages 9 to 12 of this annual report.

OUTLOOK

The outlook of the Group is set out in the section headed "Management Discussion and Analysis — Outlook" on pages 18 to 19 of this annual report.

IMPORTANT EVENT SINCE THE END OF THE REPORTING YEAR

Save as disclosed, the Group had no material events for disclosure subsequent to 31 December 2024 and up to the date of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

A description of the principal risks and uncertainties the Group faces can be found in the section headed "Management Discussion and Analysis — Principal Risks and Uncertainties" on pages 15 to 16 of this annual report.

ENVIRONMENTAL POLICY

The Group actively keep promoting sustainable development and environmental protection, and also has strictly complied with relevant environmental protection, health and related laws and regulations. Please refer to the 2024 environmental, social and governance report of the Company for details.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has complied with all applicable laws and regulations without any non-compliance. Please refer to the 2024 environmental, social and governance report of the Company for details.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

We maintained a good working relationship with our employees and we did not experience any labour disputes for our operations during the Year.

Major customers

For the Year, the Group's sales to its five largest customers accounted for approximately 68.38% (2023: 65.60%) of the Group's total revenue and our single largest customer accounted for approximately 25.25% (2023: 24.17%) of the Group's total revenue.

Major suppliers

For the Year, the Group's five largest suppliers accounted for approximately 32.32% (2023: 45.75%) of the Group's total purchases and our single largest supplier accounted for approximately 11.81% (2023: 13.05%) of the Group's total purchases.

During the Year, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 25 to the consolidated financial statements.

DIRECTORS' REPORT

CAPITAL AND RESERVES

Details of movements in the share capital, share premium, retained earnings, capital reserves and other reserves of the Group during the Year are set out on page 85 of this annual report in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no reserves available for distribution to equity holders (31 December 2023: Nil).

BANK BORROWINGS AND OTHER BORROWINGS

As at 31 December 2024, the Group had total bank loans of approximately RMB17.31 million (31 December 2023: approximately RMB17.98 million) and other borrowings of approximately RMB11.25 million.

DIRECTORS

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

Executive Directors:

Mr. Huang Xiaodi *(Chairman, Chief Executive Officer and Compliance Officer)*
Mr. Yan Jinghui
Mr. Dong Kejia
Mr. Shum Ngok Wa
Mr. Chen Xicheng (appointed on 24 April 2024)
Mr. Li Huaguo (appointed on 22 January 2025)

Non-executive Director:

Mr. Lian Mingcheng (appointed on 24 April 2024)

Independent Non-executive Directors:

Ms. Xu Shuang
Mr. Gao Hongqi (resigned on 7 June 2024)
Mr. Tsoi Ka Shing (resigned on 5 September 2024)
Mr. Tam Chak Chi (appointed on 5 September 2024)
Ms. Yau Yin Tan (appointed on 5 September 2024)
Mr. Ma Lin (appointed on 22 January 2025)

In accordance with article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the first general meeting after his appointment and any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company after his appointment, and each of them shall be eligible for re-election.

Mr. Tam Chak Chi, Ms. Yau Yin Tan, Mr. Li Huaguo and Mr. Ma Lin were appointed by the Board on 5 September 2024, 5 September 2024, 22 January 2025 and 22 January 2025 respectively to fill a casual vacancy or as an additional Director. In accordance with Article 112, each of Mr. Tam Chak Chi, Ms. Yau Yin Tan, Mr. Li Huaguo and Mr. Ma Lin shall hold the office until the AGM and he/she will offer himself/herself for re-election at the forthcoming annual general meeting.

Pursuant to Article 108 of the Articles, at every annual general meeting, one-third of the Directors for the time (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and will be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement at an AGM at least once every three years. In accordance with Article 108, Mr. Huang Xiaodi, Mr. Dong Kejia and Mr. Shum Ngok Wa shall retire from office by rotation at the AGM.

Being eligible, Mr. Huang Xiaodi, Mr. Dong Kejia, Mr. Shum Ngok Wa will offer themselves for re-election as executive Directos. At the forthcoming annual general meeting, ordinary resolutions will be proposed to re-elect each of Mr. Huang Xiaodi, Mr. Dong Kejia, Mr. Shum Ngok Wa as executive Directors.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 20 to 26 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Year and remain so as of the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. Huang Xiaodi and Mr. Yan Jinghui has entered into a service agreement with the Company for an initial term of 3 years commencing from 12 June 2024, which could be terminated by either party by giving not less than 3 months' notice in writing to the other and Mr. Huang Xiaodi subject to retirement by rotation and re-election pursuant to the Articles of Association.

Each of Mr. Dong Kejia and Mr. Shum Ngok Wa has entered into a service agreement with the Company for an initial term of 3 years commencing from 9 December 2022, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other.

Each of Mr. Chen Xicheng and Mr. Lian Mingcheng has entered into a service agreement with the Company for an initial term of 3 years commencing from 24 April 2024, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other.

Each of Mr. Li Huaguo and Mr. Ma Lin has entered into a service agreement with the Company for an initial term of 3 years commencing from 22 January 2025, unless terminated in accordance with the said service agreement by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

Ms. Xu Shuang has entered into a letter of appointment with the Company for an initial term of 3 years commencing from 12 June 2024, which could be terminated by either party by giving not less than 3 months' notice in writing to the other and Ms. Xu Shuang subject to retirement by rotation and re-election pursuant to the Articles of Association.

Mr. Tam Chak Chi and Ms. Yau Yin Tan have entered into a letter of appointment with the Company for an initial term of 3 years commencing from 5 September 2024, which could be terminated by either party by giving not less than 3 months' notice in writing to the other, and subject to retirement by rotation and re-election pursuant to the Articles of Association.

None of the Directors has a service agreement or a letter of appointment which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of Directors or his/her connected entity had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party at the end of the Year or at any time during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year and up to the date of this annual report.

EMOLUMENT POLICY

The remuneration committee of the Company was set up for reviewing the emoluments of the Directors and five highest paid individuals during the Year. Details are set out in Notes 10 and 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

The Company did not have any other equity-linked agreement that would or might result in the Company issuing Shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing Shares, entered into by the Company during the Year or subsisted as at 31 December 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

NON-COMPETITION UNDERTAKING

Pursuant to the deed of non-competition dated 16 May 2018 (the "**Deed of Non-competition**") entered into by Mr. Huang Xiaodi and A&B Development Holding Limited (collectively, the "**Covenantor**"), each of the Covenantors has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of our subsidiaries) that, save and except the interest in the Group, during the period that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its close associates (other than any member of the Group) not to develop, acquire, invest in, participate in, carry on or be engaged, concerned or interested, or otherwise be involved, in any business in competition with or likely to be in competition with the existing business activity of any member of the Group within Hong Kong, the PRC and such other parts of the world where any member of the Group may operate from time to time, or any business activity to be conducted by any member of the Group from time to time after the Listing, save for the holding of not more than 5% shareholding interests (individually or with his/its close associates) in any company listed on a recognized stock exchange and at any time the relevant listed company shall have at least one shareholder (individually or with his/its close associates, if applicable) whose shareholding interests in the relevant listed company is higher than that of the relevant Covenantor (individually or with his/its close associates).

For details of the non-competition undertaking, please refer to the section headed "Relationship with Controlling Shareholders" in the Prospectus.

The Company has received confirmations from the Covenantors confirming their compliance with the Deed of Non-competition during the Year for disclosure in this annual report.

The independent non-executive Directors have reviewed the Deed of Non-competition and based on the information and confirmations provided by or obtained from the Covenantors, they were satisfied that the Covenantors have duly complied with the Deed of Non-competition during the Year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as at 31 December 2024, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

On 10 January 2024, the Company entered into a loan agreement with Mr. Shum Ngok Wa ("**Mr. Shum**"), who is also an executive director and a connected person of the Company, of which Mr. Shum agreed to lend RMB175,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Shum within two years.

On 10 January 2024 and 2 May 2024, the Company entered into a loan agreement with Mr. Dong Kejia ("**Mr. Dong**"), who is an executive director and a connected person of the Company, of which Mr. Dong agreed to lend RMB467,000 to the Company on an interest-free payment basis. The amount will be fully repaid by the Company to Mr. Dong within two years.

As the loans received by the Company from the above two Directors were (1) conducted on normal commercial terms or better; and (2) not secured by the assets of the Group, the connected transactions contemplated thereunder are fully exempt from shareholders' approval, annual review and all disclosure requirements under Rule 20.88 of the GEM Listing Rules.

During the Year, save as disclosed above, the Group had not entered into any connected party transactions constituted a connected transaction nor continuing connected transactions which are required to be disclosed in this annual report pursuant to the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director and officer of the Company for the time being shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred or sustained by him/her as a Director about the execution of the duties or supposed duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to the said Director.

The Company has taken out and maintained insurance in respect of legal action brought against the Directors.

DIRECTORS' REPORT

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the GEM Listing Rules, was held by the public at all times during the Year and as at the latest practicable date prior to the issue of this annual report.

COMPLIANCE OFFICER

The compliance officer of the Company is Mr. Huang Xiaodi, whose biographical details are set out on page 20 of this annual report.

CORPORATE GOVERNANCE PRACTICE

During the Year, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**Code**") set out in Part 2 of Appendix C1 of the GEM Listing Rules, save for the deviation from code provision C.2.1. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report from pages 40 to 57 of this annual report.

CODE PROVISION C.2.1

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Huang Xiaodi ("**Mr. Huang**") is the chairman and the chief executive officer of the Company. The Board considered that Mr. Huang has more than 13 years of professional experience in the exhibition and event management industry, the Board believed that it is in the best interest of the Group to have Mr. Huang taking up both roles for efficient overall strategy and business development.

COMPETING BUSINESS

During the Year, none of the Directors, controlling shareholders or substantial shareholders of the Company, nor any of their respective close associates (as defined under the GEM Listing Rules) have been engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group nor have they been aware of any other conflicts of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

THE INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and Chief Executive of the Company in the shares of the Company (the "**Shares**"), underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they are taken or deemed to have under those provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position/Short position in the Shares or Underlying shares of the Company:

Name of Director	Capacity/Nature	Number of ordinary shares held/interested	Approximate percentage of the Company's total issued shares
Mr. Huang Xiaodi ("**Mr. Huang**")	Interest of controlled corporation	34,645,000 (L)	*(Note 1)* 27.28%
Mr. Dong Kejia ("**Mr. Dong**")	Interest of controlled corporation	11,987,500 (L)	*(Note 2)* 9.44%

L: Long Position

Note 1: These 34,645,000 Shares are held by A&B Development Holding Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Huang, the Chairman, Chief Executive Officer and Executive Director of the Company. Therefore, Mr. Huang is deemed to be interested in all the Shares held by A&B Development Holding Limited for the purpose of the SFO.

Note 2: These 11,987,500 Shares are held by Wing Ka Yuen Company Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Dong, the Executive Director of the Company. Therefore, Mr. Dong is deemed to be interested in all the Shares held by Wing Ka Yuen Company Limited for the purpose of the SFO.

Long Positions in the Ordinary Shares of Associated Corporation

Name of Director	Name of Associated Corporation	Capacity/ Nature	Number of ordinary shares held	Percentage of shareholding
Mr. Huang	A&B Development Holding Limited	Beneficial Owner	1	*(Note 1)* 100%
Mr. Dong	Wing Ka Yuen Company Limited	Beneficial Owner	10,000	*(Note 2)* 100%

Note 1: Mr. Huang holds the entire issued share capital of A&B Development Holding Limited ("**A&B**") and is deemed to be interested in all the Shares held by A&B for the purpose of the SFO.

Note 2: Mr. Dong holds the entire issued share capital of Wing Ka Yuen Company Limited ("**Wing Ka Yuen**") and is deemed to be interested in all the Shares held by Wing Ka Yuen for the purpose of the SFO.

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

So far as is known to the Directors, as at 31 December 2024, none of the Directors nor the Chief Executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year and up to the date of this annual report, were rights to subscribe for equity or debt securities the Company granted to any Director or chief executive of the Company or to their spouse or children under the age of 18 years of age as record in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme and passed by the Shareholders on 16 May 2018 (the "**Share Option Scheme**"). The principal terms of the Share Option Scheme are set out as follows:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

(2) Qualifications and conditions of participants

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with the requirements set out in the prospectus of the Company for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any individual participant to the grant of option shall be determined by the Board (or as the case may be, our independent non-executive directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.

(3) Maximum number of shares

(i) Subject to sub-paragraphs (ii) and (iii) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from 16 May 2018 (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all our Shares in issue as at the date of grant. Therefore, it is expected that the Company may grant options in respect of up to 12,700,000 Shares to the participants under the Share Option Scheme.

(ii) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that 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 share option schemes of the Company must not exceed 10% of our Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed limit. A circular must be sent to the Shareholders containing the information as required under the GEM Listing Rules in this regard.

(iii) The Company may seek separate approval from the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose and all other information required under the GEM Listing Rules.

(iv) The aggregate 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 share option schemes of the Company must not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result such 30% limit being exceeded.

(v) The total issuable shares under the Share Option Scheme are 12,700,000 Shares, accounted for approximately 10% of issued shares of the Company as at the date of this annual report.

(4) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant must not exceed 1% of our Shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected persons) abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such participant), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(5) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed the date of grant.

(6) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made.

(7) Price of shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of our Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option. For the purpose of calculating the subscription price, where the Company has been listed on the Stock Exchange for less than five Business Days, the issue price of our Shares on the Stock Exchange shall be used as the closing price for any Business Day fall within the period before Listing.

(8) Restrictions on the time of grant of options

(i) An offer for the grant of options may not be made after any inside information (as defined in the SFO) has come to the knowledge of the Company until such inside information has been announced pursuant to the requirements of the GEM Listing Rules and the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

(aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company's results for any year, half-year or other interim period (whether or not required under the GEM Listing Rules); and

(bb) the deadline for the issuer to announce its results for any year, half-year or any other interim period (whether or not required under the GEM the Listing Rules), and ending on the date of the results announcement.

During the Year, no share option was granted, exercised or cancelled and there was no outstanding share option.

LIMITING CONDITIONS

The Company has assumed the accuracy of, and have relied on the information and management representations provided in arriving at the opinion of value.

The Company assumes that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the market value.

It is assumed that the assets valued are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as its code of conduct regarding securities transactions by the Directors in respect of the Shares (the "**Code of Conduct**"). All the Directors have confirmed, following specific enquiry made by the Company, that they have complied with the Required Standard of Dealings as set out in the Code of Conduct and there was no event of non-compliance during the Year up to the date of this annual report.

AUDIT COMMITTEE

The Group has established an audit committee of the Company (the "**Audit Committee**") on 16 May 2018 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3.3 of the Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment, reappointment and removal of external auditor, to review financial statements of the Company and make judgments in respect of financial reporting; and to oversee the effectiveness of the internal control procedures of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Tam Chak Chi as the chairman of the Audit Committee, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules, Ms. Xu Shuang and Ms. Yau Yin Tan. The Audit Committee together with the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial report matters, including review of the audited consolidated financial statements of the Group for the Year.

AUDITORS

On 28 December 2022, HLB Hodgson Impey Cheng Limited resigned as auditor of the Company and Moore CPA Limited ("**Moore**") was appointed on 29 December 2022 by the Directors to fill casual vacancy so arising.

During the Reporting Period, Moore has resigned as auditor of the Company on 6 December 2024 and Forvis Mazars CPA Limited ("**Forvis Mazars**") has been appointed as the auditor of the Company to fill the casual vacancy arising from the resignation of Moore.

The consolidated financial statements for the year ended 31 December 2024 have been audited by Forvis Mazars. Forvis Mazars will retire, and being eligible, offer themselves for re-appointed at the forthcoming annual general meeting. A resolution for its reappointment as auditor of the Company will be proposed.

Save as disclosed above, there have been no other changes in the Company's auditors in the past three years.

Please refer to the announcements of the Company dated 29 December 2022 and 6 December 2024 for details of the Company's change of auditors.

By Order of the Board
Dowway Holdings Limited
Chairman, Chief Executive Officer and Executive Director
Huang Xiaodi

Beijing, China, 31 March 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2024.

CORPORATE GOVERNANCE PURPOSE, VALUE, CULTURE AND STRATEGY

The Board leads and promotes to establish and continually reinforce the desired corporate culture of the Company which is underpinned by our corporate values of committing high standard of business ethics and integrity. Our sound corporate culture reaches all levels of the Group, and aligns with the Company's missions, corporate values and strategies.

Throughout the year of 2024, we continued to strengthen and focus on the following areas to achieve our corporate purpose and value: business expansion, customer satisfaction, operational safety and efficiency, environmental protection through various initiatives set out in the Chairman's Statement, Management Discussion and Analysis and Environmental, Social and Governance Report in this annual report.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**Code**") set out in Part 2 of Appendix C1 of the GEM Listing Rules, save for the deviation from code provision C.2.1. Save as disclosed in this annual report, the Company has, to the best knowledge of the Board, complied with all applicable code provisions of the Code for the Year. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Code.

CODE PROVISION C.2.1

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Huang Xiaodi ("**Mr. Huang**") is the chairman and the chief executive officer of the Company. The Board considered that Mr. Huang has more than 13 years of professional experience in the exhibition and event management industry, the Board believed that it is in the best interest of the Group to have Mr. Huang taking up both roles for efficient overall strategy and business development.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring the Group's business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

For the year ended 31 December 2024, all the Directors had carried out duties in good faith and, to their best knowledge and belief, in compliance with applicable laws and regulations, and had acted in the interest of the Company and the Shareholders as a whole at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board composition

As at the date of this annual report, the Board comprises four executive Directors and three independent non-executive Directors are as follows:

Executive directors:

Mr. Huang Xiaodi *(Chairman, Chief Executive Officer, Compliance Officer)*
Mr. Yan Jinghui
Mr. Dong Kejia
Mr. Shum Ngok Wa
Mr. Chen Xicheng (appointed on 24 April 2024)
Mr. Li Huaguo (appointed on 22 January 2025)

Non-executive directors:

Mr. Lian Mingcheng (appointed on 24 April 2024)

Independent non-executive directors:

Ms. Xu Shuang
Mr. Gao Hongqi (resigned on 7 June 2024)
Mr. Tsoi Ka Shing (resigned on 5 September 2024)
Mr. Tam Chak Chi (appointed on 5 September 2024)
Ms. Yau Yin Tan (appointed on 5 September 2024)
Mr. Ma Lin (appointed on 22 January 2025)

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During the Year, the Board has met at all times the requirements under Rules 5.05(1) and 5.05(2) of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 5.05A of the GEM Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a board diversity policy to ensure that the Company will, when determining the composition of the Board, consider board diversity from various perspectives. The board diversity policy is summarized below:

Summary of Board Diversity Policy of the Company (the "Policy")

1. Purpose:

1.1 The Policy aims achieve diversity on the Board of the Group.

2. Vision:

2.1 The Group recognises and embraces the benefits of having a diverse Board to enhance the quality of the Company's performance.

3. Policy statement:

3.1 With a view to achieving a balanced and stable development, the Group sees diversity at the Board level as an essential element in achieving balanced development of the Group. In designing the Board's composition of the Group, Board diversity has been comprehensively considered from a number of aspects, including but not limited to gender, age, cultural and educational background or professional experience on the principle of "promotion of the worthy".

4. Measurable objectives:

4.1 Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background or professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Group.

5. Review and monitoring

5.1 The Nomination Committee will review the Policy, as and when appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

5.2 Details of the Policy and any measurable objectives designed for it will be disclosed in the annual report of the Group.

The Group has adopted a policy to diversify the membership of the Board. The Group recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board composition of the Group is based on a range of diverse perspectives, and candidates will be selected from a number of aspects, including but not limited to gender, age, cultural and educational background or professional experience on the principle of "promotion of the worthy".

During the Year and at the date of this report, the Board has seven Directors, two of which are female. The table below further describes the degree of diversity of the Board:

Name of directors	Age Distribution			Gender	
	31–40	41–60	61–70	Male	Female
Mr. Huang Xiaodi	✓			✓	
Mr. Yan Jinghui	✓			✓	
Mr. Dong Kejia		✓		✓	
Mr. Shum Ngok Wa	✓			✓	
Mr. Chen Xicheng (appointed on 24 April 2024)	✓			✓	
Mr. Li Huaguo (appointed on 22 January 2025)		✓		✓	
Mr. Lian Mingcheng (appointed on 24 April 2024)		✓		✓	
Ms. Xu Shuang		✓			✓
Mr. Gao Hongqi (resigned on 7 June 2024)			✓	✓	
Mr. Tsoi Ka Shing (resigned on 5 September 2024)		✓		✓	
Mr. Tam Chak Chi (appointed on 5 September 2024)		✓		✓	
Ms. Yau Yin Tan (appointed on 5 September 2024)	✓				✓
Mr. Ma Lin (appointed on 22 January 2025)		✓		✓	

CORPORATE GOVERNANCE REPORT

Name of directors	Education background				Professional experience			
	Arts and design	Civil engineering	Electrical engineering	Computer science and/ or others	Exhibition and design	Architectural engineering	Finance IT/ and/or risk management	Investment
Mr. Huang Xiaodi	✓				✓			
Mr. Yan Jinghui	✓				✓			
Mr. Dong Kejia				✓				✓
Mr. Shum Ngok Wa				✓			✓	
Mr. Chen Xixheng (appointed on 24 April 2024)				✓			✓	
Mr. Li Huaguo (appointed on 22 January 2025)				✓			✓	
Mr. Lian Mingcheng (appointed on 24 April 2024)				✓				✓
Ms. Xu Shuang				✓	✓			
Mr. Gao Hongqi (resigned on 7 June 2024)		✓				✓		
Mr. Tsoi Ka Shing (resigned on 5 September 2024)				✓			✓	
Mr. Tam Chak Chi (appointed on 5 September 2025)				✓			✓	
Ms. Yau Yin Tan (appointed on 5 September 2025)				✓			✓	
Mr. Ma Lin (appointed on 22 January 2025)				✓			✓	

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors and the chief executive of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the Code requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the Company, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Group's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. The Company also provides regular updates on latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his/her duties.

Directors are encouraged to participate in continuous professional development seminars and programmes to develop and refresh their knowledge and skills. The Company secretary of the Company has from time to time updated and provided the Directors with written training materials relating to the roles, functions and duties of a director of a listed issuer on GEM of the Stock Exchange. The Company has also engaged external legal advisers to provide training to Directors on updates of GEM Listing Rules as well as latest changes in relevant rules and regulations.

According to the information provided by the Directors, a summary of trainings received by the Directors throughout the Year is as follows:

Name of Directors	Nature of Continuous Professional Development Programmes
Executive Directors	
Mr. Huang Xiaodi	D
Mr. Yan Jinghui	D
Mr. Dong Kejia	D
Mr. Shum Ngok Wa	D
Mr. Chen Xicheng (appointed on 24 April 2024)	C, D
Mr. Li Huaguo (appointed on 22 January 2025)	C, D
Non-Executive Director	
Mr. Lian Mingcheng (appointed on 24 April 2024)	C, D
Independent Non-Executive Directors	
Ms. Xu Shuang	D
Mr. Gao Hongqi (resigned on 7 June 2024)	D
Mr. Tsoi Ka Shing (resigned on 5 September 2024)	A, D
Mr. Tam Chak Chi (appointed on 5 September 2024)	A, C, D
Ms. Yau Yin Tan (appointed on 5 September 2024)	A, C, D
Mr. Ma Lin (appointed on 22 January 2025)	C, D

Notes:

A: Attending seminars and/or meetings and/or forums and/or briefings

B: Giving talks in the seminars and/or meetings and/or forums

C: Attending training relevant to the Company's governance business conducted by lawyers

D: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has signed a service agreement with the Company for an initial term of 3 years commencing on the date of appointment until terminated by either party by giving not less than 3 months' notice in writing to the other.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years commencing on the appointment date, provided that either party may terminate such appointment at any time by giving not less than 3 months' notice in writing to the other.

None of the Directors has a service agreement which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment or re-election of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committees members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the relevant Board Committees prior to the meeting.

Minutes of the meetings are kept by the company secretary, with copies circulated to all Directors or the relevant Board Committees members for information and records.

Minutes of the Board meetings and Board Committees meetings are recorded in sufficient details about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors or the Board Committees members. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors or the Board Committees members for comments within a reasonable period after the meeting is held. Minutes of the Board meetings and the Board Committees meetings are open for inspection by Directors.

During the Year, the board of directors held 8 board meetings and 1 general meeting. The attendance of each directors at board meeting(s) and general meeting(s) is set out in the table below:

Directors	Attended/ Eligible to attend the Board meeting(s)	Attended/ Eligible to attend the general meeting(s)
Mr. Huang Xiaodi	8/8	1/1
Mr. Yan Jinghui	8/8	1/1
Mr. Dong Kejia	8/8	1/1
Mr. Shum Ngok Wa	8/8	1/1
Mr. Chen Xicheng (appointed on 24 April 2024)	6/6	1/1
Mr. Li Huaguo (appointed on 22 January 2025)	0/0	0/1
Mr. Lian Mingcheng (appointed on 24 April 2024)	6/6	1/1
Ms. Xu Shuang	8/8	1/1
Mr. Gao Hongqi (resigned on 7 June 2024)	4/4	1/1
Mr. Tsoi Ka Ching (resigned on 5 September 2024)	5/5	1/1
Mr. Tam Chak Chi (appointed on 5 September 2024)	3/3	0/1
Ms. Yau Yin Tan (appointed on 5 September 2024)	3/3	0/1
Mr. Ma Lin (appointed on 22 January 2025)	0/0	0/1

DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors are provided with sufficient resources to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transaction entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the individual and collective responsibility of the Directors which includes:

(a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of the Directors and senior management;

(c) to develop, review and monitor the codes of conduct and compliance manuals applicable to employees and the Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on such matters;

(e) to review the Company's compliance with corporate governance and disclosure in the corporate governance report; and

(f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

AUDIT COMMITTEE

The Audit Committee currently comprises three members, namely Mr. Tam Chak Chi (Chairman), Ms. Xu Shuang and Ms. Yau Yin Tan. All of them are independent non-executive Directors.

The principal duties of the Audit Committee are as follows:

1. to review the relationship with the External Auditor by reference to the work performed by the External Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of the External Auditor;

2. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, Compliance Officer or the External Auditor before submission to the Board; and

3. to review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

3 meetings were held by the Audit Committee for the Year and the attendance of each Audit Committee member at the Audit Committee meetings is set out in the table below:

Audit Committee members	Attendance/ Number of meetings
Mr. Tam Chak Chi *(Chairman)* (appointed on 5 September 2024)	1/3
Mr. Tsoi Ka Shing *(Chairman)* (resigned on 5 September 2024)	2/3
Ms. Xu Shuang	3/3
Mr. Gao Hongqi (resigned on 7 June 2024)	1/3
Ms. Yau Yin Tan (appointed on 5 September 2024)	1/3

During the meetings, the Audit Committee:

- reviewed the financial results of the Group for the year ended 31 December 2023 and for the six months ended 30 June 2024 as well as the relevant financial reports;
- reviewed the audit report prepared by the External Auditor relating to accounting issues and major findings in course of audit;
- reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment of the External Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the External Auditor.

NOMINATION COMMITTEE

The Nomination Committee currently comprises three members, namely Ms. Xu Shuang (Chairman) and Mr. Tam Chak Chi, the independent non-executive Directors, and Mr. Yan Jinghui, the executive Director.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors; and
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman of the Board and the Chief Executive Officer.

Nomination Policy of Dowway Holdings Limited

1 Purpose

1.1 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the shareholders for election as Directors at general meetings or appoint as Directors of the Company to fill casual vacancies.

1.2 The number of candidates nominated by the Nomination Committee may (as it deems appropriate) exceed the number of directors to be appointed or reappointed at the general meeting or the number of temporary vacancies to be filled.

2 ***Criteria of selection***

2.1 In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including:

- reputation for integrity;
- commitment in respect of available time and interest on behalf of relevant stakeholders;
- diversity in all aspects of the Board, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

These factors are bases for the Nomination Committee to nominate new members. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2.2 All the retiring directors (excluding those who have been independent non-executive directors for 9 consecutive years) are qualified to be nominated by the Board for re-election at the general meeting. For the avoidance of doubt, (a) the nine-year period for deciding whether an independent non-executive director is qualified to be nominated by the Board for election at the general meeting shall be from the date when the director is appointed for the first time up to the date of the forthcoming annual general meeting (the current term of office of such director will expire at the end of the annual general meeting); (b) such independent non-executive director who has been a member of the Board can hold office until the expiry of its current term of office.

2.3 Proposed candidate is required to submit the required personal information, in established form, and a consent letter, and agrees to be appointed as a director and disclose its personal information in respect of its election for director and matters related thereto in any document or relevant website.

2.4 The Nomination Committee can request, if necessary, the candidate to provide additional information and document.

3. ***Nomination Procedure***

3.1 The secretary of the Nomination Committee is required to convene a Nomination Committee meeting where Board members are invited to nominate candidates (if any) for the Nomination Committee to consider before the meeting. The Nomination Committee may also nominate candidates who are not nominated by the Board members.

3.2 The Nomination Committee has the responsibility of nominating candidates to the Board for consideration and approval to fill casual vacancies. In order to propose candidate(s) for election as Director(s) at a general meeting, the Nomination Committee shall nominate to the Board for its consideration and recommendation for election.

3.3 The nominees shall not be assumed with recommendation of the Board for election until the issue of circulars to shareholders.

3.4 Name, resume (containing qualification and relevant experiences), independence, proposed remuneration and other information of candidates is set forth in circulars to shareholders in accordance with applicable laws, rules and regulations.

3.5 The Board has the right of making final decision on all matters relating to election of recommendation of candidates in general meeting.

4. *Confidentiality*

Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or a staff member of the Company disclose any information to entertain any enquiries from the public with regard to any nomination or candidate before the circular to shareholders, as the case may be, is issued. Following the issue of the circular, the Nomination Committee or company secretary or other staff member of the Company, approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

4 meeting was held by the Nomination Committee for the Year and the attendance of each Nomination Committee member at the Nomination Committee meetings is set out in the table below:

Nomination Committee members	Attendance/ Number of meetings
Ms. Xu Shuang *(Chairman)*	4/4
Mr. Gao Hongqi (resigned on 7 June 2024)	2/4
Mr. Yan Jinghui	4/4
Mr. Tam Chak Chi (appointed on 5 September 2024)	0/4

During the meetings, the Nomination Committee:

- reviewed the structure, size, composition and diversity of the Board;
- assessed the independence of the independent non-executive directors; and
- proposed and approved the change of independent non-executive director and submitted to the board of directors for approval.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, namely Mr. Tam Chak Chi (Chairman) and Ms. Yau Yin Tan, the independent non-executive Directors and Mr. Shum Ngok Wa, the executive Director.

The principal duties of the Remuneration Committee include the following:

1. to consult the chairman of the Board and/or chief executive of the Company about the remuneration proposals for other executive Directors. The Committee should have access to independent professional advice if necessary;

2. to make recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

3. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board, and assess performance of executive Directors and the terms of their service agreements;

4. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including compensation payable for loss or termination of their office or appointment;

5. to make recommendations to the Board on the remuneration of non-executive Director(s);

6. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

7. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

8. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

9. to ensure that no Director or any of his/her associates (in accordance with the GEM Listing Rules) is involved in deciding his/her own remuneration;

10. to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules;

11. to do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; and

12. to conform any requirement, direction and regulation that may from time to time be prescribed by the Board, or contained in the articles of association of the Company or imposed by the GEM Listing Rules or any applicable laws.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

4 meetings were held by the Remuneration Committee for the Year and the attendance of each Remuneration Committee member at the Remuneration Committee meetings is set out in the table below:

Remuneration Committee members	Attendance/ Number of meetings
Mr. Tam Chak Chi *(Chairman)* (appointed on 5 September 2024)	1/4
Mr. Gao Hongqi *(Chairman)* (resigned on 7 June 2024)	2/4
Mr. Tsoi Ka Shing (resigned on 5 September 2024)	3/4
Ms. Yau Yin Tan (appointed on 5 September 2024)	1/4
Mr. Shum Ngok Wa	4/4

During the meetings, the Remuneration Committee:

- reviewed and approved the remuneration of directors and senior management of the Company in 2023;
- proposed Remuneration Policy and Structure for Directors and Senior Management of the Company for the Year; and
- reviewed and approved the remuneration of directors appointed during the Year.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Year which give a true and fair view of the affairs of the Group and of the Group's results and cash flows.

The management has provided the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put forward to the Board for approval. The Company provides all members of the Board with quarterly updates on the Group's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the External Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the independent auditor's report on pages 80 to 81 of this annual report.

AUDITOR'S REMUNERATION

The remuneration for the audit services and non-audit services provided by the External Auditor to the Group for the Year was approximately as follows:

Type of Services	Amount *HKD'000*
Audit services	1,150
Non-audit services	50
Total	**1,200**

COMPANY SECRETARY

On 28 June 2024, Ms. Tang So Him ("**Ms. Tang**") resigned as the company secretary of the Company (the "**Company Secretary**"). In order to uphold good corporate governance and ensure compliance with the GEM Listing Rules and applicable Hong Kong laws, the Company has appointed Mr. Leung Gavin L. ("**Mr. Leung**") as the Company Secretary on 28 June 2024. Mr. Leung is a member of both Hong Kong Institute of Certified Public Accountants and Certified Practising Accountant Australia. He has over 20 years of experience in auditing, financial management, accounting and company secretarial. Mr. Huang Xiaodi, as the Chairman, Chief Executive Officer and executive Director, is his primary contact person in the Company.

For the year ended 31 December 2024, both Mr. Leung and Ms. Tang have undertaken no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which enables Shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of each of the Board Committees will attend the annual general meeting to answer Shareholders' questions. The External Auditor will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at http://www.dowway-exh.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Company has reviewed the implementation and effectiveness of the Shareholder's communication policy and considered it to be conducted effectively during the year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the GEM Listing Rules except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a precedent or administrative matter to be voted by a show of hands. Poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such meeting shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the Headquarters of the Company at Hong Kong or at Beijing.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the year ended 31 December 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is the Group's highest internal decision-making body on risk management and internal control, and is responsible for the effectiveness of related works. That responsibility includes setting up reasonable and effective risk management and internal control processes to ensure safety of the Group's assets and realization of its strategic objectives. The Board has assigned management and execution procedures to implement the risk management and internal control system within specific areas, and to review all functions related to finance, operation and supervision of legal compliance and risk management once a year.

The Group's risk management procedures and internal control system includes definition of management structure and restrictions on its authority. It also regularly identifies and evaluates material risks that might appear in operations, discovers possible risks in a timely manner, provides effective preventive and risk control measures, all aimed at mitigating potential losses resulting from these risks. This is all aimed at protecting the safety of the Group's assets, realizing its strategic objectives, ensuring the accuracy of financial data and compliance with relevant laws and regulations. The aforesaid monitoring system is designed to manage and minimize the risks from failure of the Group's operational systems or to achieve business goals, and it can only offer a reasonable assurance but not an absolute guarantee of no material misrepresentation or loss.

The Group has set up an internal audit professional position with the aim to assist the Board and Audit Committee with a regular review on the effectiveness of its risk management process and internal control system. The Group's business and functional departments continue to assess potential risks that might prevent it from realizing business and operational objectives. The review procedures include evaluating whether the current internal control system is suitable, whether potential risks are properly handled and/or whether any added measures are required.

SIGNIFICANT RISKS OF THE GROUP

In 2024, the Group identified three significant risks through the risk management procedures above. The Audit Committee has assisted the Board to monitor the Group's overall risk status, and reviewed the nature and gravity of the significant risks that it may face. The Audit Committee is of view that the management has adopted appropriate measures against significant risks and is able to control them at a level acceptable to the Board.

Current significant risks that the Group faces and countermeasures already adopted are summarized as below. The Group's risk exposure may change and the table below does not include all possible risks.

1. **Risks from market competition — risks to income**

   The Group's revenue is mainly from key customers. If the Group cannot retain existing customers, or the business or financial performance of existing customers deteriorates, or the Group cannot secure new customers, the Company may experience slow growth, no growth or negative growth, and the Company's financial performance and results of operations would be adversely affected.

   The Group has established a stable relationship with internationally-renowned automobile companies, and strives to continually satisfy their needs and requirements for exhibition and event management services. Besides, the Group's management team has significant experience in this industry, strong client relationships and capabilities of securing business opportunities from new customers. The Group's sales department has assigned specific staff to regularly review market trends and customer demand, who can effectively evaluate and manage the exhibitions and events undertaken by the Group. In addition, the Group has ventured into new exhibition themes, which can deliver high satisfaction of exhibitors, attract visitors, and foster its business development.

2. **Risks from market competition — risk of costs**

   When bidding for projects, the Group estimates overall costs based on prevailing market standards, including the costs of construction materials, labor, equipment and logistics. If the estimation is incorrect or encounters unexpected price fluctuations, higher prices charged by suppliers may reduce the profit or even lead to a net loss on the project, and the Company's financial performance and results of operations would be adversely affected.

   The Group has established an extensive network of different suppliers. In our operations, the Group's sales department has accumulated experience working with different types of suppliers through coordination and management of various exhibitions and events, enabling the flexible selection of suitable suppliers based on the needs of the exhibition or event, customer quotation, service quality and overdue service and/or products, thereby achieving effective control of service quality and cost.

3. Risks from operations — risk of capital collection

If the Group's customers do not settle invoices on time and in full, this may materially and adversely affect the Group's cashflow and financial position. Insufficient cashflow may cause the Group to be unable to make payment to suppliers who may, in turn, terminate product or service supplies, hence affecting the Group's business operations. Besides, the Group may supplement cashflow through other financing activities, which may incur additional financing costs. In this regard, the Group cannot guarantee that it will be able to promptly obtain financing, thus it may not be able to mitigate the risk from insufficient cashflow in an effective and timely manner.

The Group's customers are mainly internationally-branded automobile companies that are well-established both overseas and in the PRC. In relation to new customers, the Group's financial department conducts customer analysis, including reviewing customers' payment method and credit terms as well as analyzing new customers' financial condition and past payment records. Then its senior management team decides whether to proceed with cooperation after ensuring the customers' good reputation or requesting the customers to make payment in advance. In addition, the Group continues to monitor long outstanding receivables and maintains close communication with the contact person of current customers in order to understand the latest development in their business and perform regular collection activities.

The Board conducted an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2024 through the Audit Committee. The management has confirmed the effectiveness of the Group's risk management and internal control systems of their respective responsible area during the Year. The Board confirmed that, in absence of any evidence to the contrary, in respect of the year ended 31 December 2024, it considered the Group's risk management and internal control systems to be effective. They also considered the current allocation of resources to be adequate, the qualification and experience of staff and their training to be proper, and their budget for accounting, internal audit and financial reporting functions to be sufficient. Hence, the Group has been able to prevent any material financial misstatements or loss, as well as safeguarding of assets, maintenance of proper accounting records, provision of reliable financial information, compliance with appropriate legislation, and identification and containment/control of business risks.

INSIDE INFORMATION

The Group has formulated policies on the proper management of inside information. It regularly reminds the Directors and employees to properly comply with all policies regarding inside information. To ensure all relevant reports to receive adequate attention, the Group has established a notification mechanism to handle and discuss internal reports and inside information concerning the areas of financial, operational and internal control procedures as well as fraud. Significant deficiencies of internal control procedures are reported to the Audit Committee.

Scope and Reporting Period

This Environmental, Social, and Governance ("**ESG**") report of Dowway Holdings Limited ("**Dowway**") and its subsidiaries (together referred to as "**the Group**") highlights the Group's ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 to the GEM Listing Rules and Guidance set out by the Stock Exchange of Hong Kong Limited.

The Group is an integrated exhibition and event management service provider in China, offering one-stop exhibition and event services for clients. Clients' exhibitions and events are neatly crafted with distinctive themes and carefully executed in terms of planning, coordination and management in collaboration with suppliers. This ESG report covers the overall performance of Beijing Dowway International Exhibition Company Limited, Tianxing Digital Wuhan Company Limited, Beijing Dowway Culture Technology Company Limited, Connect-To-Create PR Consultant Company Limited, and Sense and Creative Technology Company Limited regarding the Environmental and Social aspects of their business operations in Beijing, with an office of total area 737.20 m^2 from 1 January 2024 to 31 December 2024 ("**Reporting Period**" or "**2024**"), unless otherwise stated.

The ESG team should also actively encourage the practice of improving the Company's ESG standards. The methodologies, the calculation, the assumptions and limitations, and the conversion factor used in this report are based on "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX.

During the Reporting Period, the Group has complied with all the "comply or explain" provisions stipulated in the "Environmental, Social and Governance Reporting Guidelines". The Group has also complied with relevant laws and regulations that have a significant impact on the Group.

Reporting Principles

The preparation of the ESG Report has applied the following principles:

- Materiality — materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section "Stakeholder Engagement and Materiality" in the Report.

- Quantitative — key performance indicators ("**KPI**"s) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

- Balance — impartial disclosures have been made, including ESG positive and negative information and performance to avoid inappropriately influencing a decision or judgment by the report reader.

- Consistency — consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

The Group's Sustainability Mission and Vision

The Group is committed to sustainable development, integrating Environmental, Social, and Governance (ESG) principles into its operation. The Group maintains a high standard of business ethics and invests in sustainable business development to enhance its brand value.

Through a robust ESG management system, the Group fulfils its corporate social responsibilities. Aspiring to be a leading exhibition and event management service provider in China, the Group continuously improves its environmental and social performances by implementing policies and measures. The Group prioritizes the protection of employee rights and health and actively supports the development of the younger generation.

Sustainability Governance

The Board of Directors ("**Board**") holds the ultimate responsibility for evaluating and enhancing the Group's ESG performance. The Board regularly identifies ESG risks, cascades its objectives to the management and ensures that departments across the Group possess ample knowledge to deal with the identified risks. ESG-related performance, goals and targets of the Group are reviewed by the Board annually to ensure the achievement of continuous improvement in ESG-related issues.

Due to the nature of its business, the Group's daily operations have minimal environment impact. Nevertheless, it also set directional goals related to the environment last year, hoping to contribute to the environment and extend the concept of sustainable development to all levels of the Group and other stakeholders. Throughout the Year, the Group has reviewed the implementation and progress of the environment-related directional targets set last year.

The Group prioritizes its social performance, focusing on key social topics identified in the stakeholder materiality assessment. With certifications such as SA8000, ISO 9001, ISO 45001 and AAA Enterprise Credit Grade, the Group ensures effective system for managing social practices and quality control. Additionally, the Group is committed to continuously review the progress of the ESG goals in the future, with a view to monitoring and improving sustainable development more effectively.

Board Statement

The Board oversees environmental, social and governance of the Group issues with the support of the ESG management team. Information on ESG issues is reported to the ESG management team by an ESG working group comprising principal leaders from various functional departments.

The ESG management team is delegated by the Board to execute the Group's ESG policies and identify, evaluate, prioritise, manage and mitigate material ESG-related issues that might adversely affect our business. ESG management team formulates effective strategies to balance the environmental and social objectives with our business targets and compare our outcomes with these targets.

The ESG management team is also responsible for assisting and advising the Board on the development and implementation of the sustainability policies procedures and practices of the Group, reviewing the sustainability-related policies and initiatives, assessing sustainability risks and making recommendations to the Board on matters concerning the Group's sustainability development.

The Board reviews and monitors the team's reporting on a semi-annual basis, ensuring that the requirements of the Board are met. The review includes (i) the measurement system adopted for progress assessment; (ii) the process for data collection and verification; (iii) a comparison with the historical data and how the baseline is selected and (iv) the achievement of the target setting. The Board should make recommendations or suggestions to the ESG team.

The Board and all directors guarantee that there are no false records, misleading statements or major omissions in this report, and assume responsibility for the authenticity, accuracy and completeness of the report. This report discloses in detail the progress and results of the Group's ESG work in 2024. It was reviewed and approved by the Board meeting on March 31, 2025.

Stakeholder Engagement and Materiality

The Group highly values stakeholders' feedback and opinions, recognizing their essential role in the business. The Group engages with various stakeholders through multiple communication channels, including regular shareholder meetings, management meetings, task force analysis and discussions, regular face-to-face interviews or online meetings with employees, and opinion surveys to engage key internal and external stakeholders such as board members, managers, frontline staff, business partners and customers, etc. The following matrix shows the results of the materiality assessment of the stakeholder engagement on various topics.

Stakeholders	Topics	Communication Method	Countermeasures
Shareholder and Investors	• Corporate Governance room; • Risk Management; • Regulation Compliance; • Anti-Corruption	• Information Disclosure; • Shareholders' meeting; • Roadshow activity; • On-site and online research	• Do a good job in information disclosure and compliance work; • Implement the closed — loop from risk identification to resolution; • Organize and participate in various types of investor activities.
Employees	• Employee training and development; • Talent attraction and retention; • Employee health and safety management.	• Employee satisfaction survey; • Training activities; • Employee communication symposium.	• Safeguard employees' rights in accordance with the law; • Improve the talent promotion and salary mechanism; • Carry out training programs.

Importance to Stakeholders	Importance to the Group: Low	Importance to the Group: Medium	Importance to the Group: High
High		➢ Product/Service Quality ➢ Supply Chain Management	➢ Employment Development training ➢ Occupational Health and Safety
Medium	➢ Water ➢ Air Emission ➢ Waste and Effluent	➢ Energy ➢ Other Raw Materials Consumption ➢ Environmental Protection ➢ Measures ➢ Climate Change	➢ Customer Service ➢ Intellectual Property ➢ Data Protection ➢ Labour Standards ➢ Anti-corruption
Low		➢ Community Investment	

All topics identified as important to both stakeholders and the Group's business development were social topics aligning with the Group's development strategy emphasizes social aspects. Detailed management approaches for these material topics are provided in the relevant sections in this report. The Group will continue to improve its ESG management and performance by proactively communicating with its stakeholders and constantly enhancing its internal policies.

Stakeholders' Feedback

The Group invites stakeholders to share their feedback on its environmental, social and governance approach and performance. We welcome your suggestions and views via email at dowway@dowway-exh.com.

A. Environmental

The Group recognizes its important role in environmental protection as a responsible corporate entity. While its business nature results in minimal environmental impact, the Group has set targets on emission, energy consumption, water consumption and waste generation, aiming to maintain or gradually reduce waste generation on the basis of 2024.

The Group's Social Responsibility Management Handbook mandates that all employees comply with environmental laws and regulations. To raise environmental awareness, the Group promotes green office practices and works closely with its suppliers and clients in sharing upstream and downstream ESG-related information.

During the Reporting Period, the Group adhered to relevant laws and regulations including but not limited to the Environmental Protection Law of the PRC and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes.

Compliance with Relevant Laws and Regulations:

The Group had not identified any significant non-compliance with applicable laws and regulations concerning air and greenhouse gas emissions, water and land discharges, and generation of hazardous and non-hazardous wastes of the Group during the Reporting Period. Furthermore, no significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations had been reported during the Reporting Period (2023: nil).

A1. Emissions

A1.1. Air Emissions

The Group did not have any emissions data from consumption of town fuel and town gas during the Reporting Period (2023: nil).

The Group owned two vehicles for its business operation, both using unleaded petrol. The air emissions from mobile combustion were increased during the Reporting Period because the vehicles were used more frequently after COVID-19.

Air Emission	Unit	2024	2023
Nitrogen Oxides ("**NO_x**")	g	653,720	535,720
Sulphur Oxides ("**SO_x**")	g	65	51
Particulate Matter ("**PM**")	g	306	251
Total	**g**	**654,091**	**536,022**
Intensity	**g/m^2**	**887**	**727**

Moving forward, the Group aims to enhance vehicle usage efficiency through optimized route planning, thereby achieving better control over air emissions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1.2. Greenhouse Gas Emission

Greenhouse gas emissions are major contributors to global warming, driving climate change and threatening the ecosystem of the world. To continuously fulfil the duties as an enterprise with corporate social responsibility, the Group is committed to integrating green practices into daily operations, aiming to reduce greenhouse gas emissions across its business activities.

Sources of GHG emissions included:

- Direct (Scope 1) emissions: mobile combustion sources;
- Indirect (Scope 2) emissions: purchased electricity;
- Other indirect (Scope 3) emissions: processing of freshwater and sewage, landfilling of wastepaper, and business air travel.

The table below summarises the GHG emission sources of the Group.

Scope of GHG Emissions	Emission Sources	Unit	2024	2023
Scope 1		**tCO2eq.**	**11,741**	**9,310**
Direct Emission	Mobile combustion source — petrol consumed by vehicles	tCO2eq.	11,741	9,310
Scope 2		**tCO2eq.**	**24,182**	**35,777**
Indirect Emission	Purchased electricity	tCO2eq.	24,182	35,777
Scope 3		**tCO2eq.**	**2,415**	**2,518**
Other indirect Emission	Paper consumption	tCO2eq.	2,326	2,431
Freshwater processing		tCO2eq.	47	47
Sewage processing		tCO2eq.	23	23
Business Air Travel		tCO2eq.	19	17
Total		**tCO2eq.**	**38,338**	**47,605**
Intensity		**tCO2eq./m²**	**52**	**64.57**

During the Reporting Period, there were 38,338 (2023: 47,605) Kg of carbon dioxide ("**CO_2**") equivalent greenhouse gases (mainly the usage of electricity and paper) emitted from the Group's operation.

The Group set the targets for 70,000 tCO2eq. of the greenhouse gas emissions produced for the Reporting Period. The Group has achieved the target during the Reporting Period and will implement the Group's measures regarding paper reuse and energy conservation.

The Group establishes goals for greenhouse gas emissions, with the objective of stabilizing or progressively lowering these emissions based on 2024.

A1.3 Hazardous Waste and Non-hazardous Waste

Hazardous wastes involved in the business operation of the Group were mainly waste print cartridges and ink cartridges. Non-hazardous waste generated by the Group was mainly paper waste. During the Reporting Period, the amount of hazardous waste and Non-hazardous Waste generated details as below:

	Emission Sources	Unit	2024	2023
Hazardous Waste	**Print Cartridges and Ink Cartridges**	**kg**	0	10
		kg/m²	0	0.01
Non-hazardous Waste	**Paper Waste**	**kg**	0	20
		kg/m²	0	0.02

The Group sets the targets on hazardous and non-hazardous wastes, aiming to maintain or gradually reduce waste generation on the basis of 2024.

A1.4 Measures to Mitigate Emissions

To minimize their carbon footprint, the Group promote the use of public transportation for employee commutes and encourages virtual conference meetings to reduce emissions from business travel. When in-person meetings are essential, the Group opts for the most energy-efficient modes of transportation. The Group also monitors employees' business air travel to explore opportunities to mitigate emissions. During the Reporting Period, all the air travel was in economic class contributing to a lower emission.

A1.5 Waste Reduction and Initiatives

Recycling bins for both recyclable and hazardous waste were placed in the office area, encouraging employees to sort waste according to the designed categories. Hazardous waste such as waste fluorescent tubes were collected by specific containers provided by property management companies for recycling. Ink cartridges were regularly collected by printer leasing parties.

The primary type of non-hazardous waste generated by the Group's business operations is paper. The non-hazardous waste is collected by the property management of the office buildings.

The Group is committed to addressing paper waste by establishing a paperless office. Certain waste reduction measures have been implemented:

- Adopting paperless work practices to reduce the use of paper;
- Encouraging employees to use double-sided printing;
- Collecting and reusing single-sided printed paper; and
- Encouraging employees to recycle whenever possible.

The Group has not formulated formal waste reduction policies to govern its subcontractors, but it has encouraged subcontractors to reduce waste and reuse resources whenever possible.

A2. Use of Resource

To improve resources efficiency, the Group has introduced various resource-saving measures and actively promotes green practices among employees. For details on these measures and the implementation of the policies, please refer to Energy Use Efficiency Initiatives and Water Use Efficiency Initiatives sections below.

The Group's business operations consumed electricity and petrol, with a total energy consumption of 78,329.37 kWh and an intensity of 106.25 kWh/m^2.

Energy Source	Unit	2024 Consumption	2023 Consumption	2024 Consumption in kWh	2023 Consumption in kWh
Electricity	kWh	35,687.36	40,458.00	35,687.36	40,458.00
Petrol	L	4,400.00	3,500.00	42,642.01	33,919.78
Total	/	/	/	**78,329.37**	**74,377.78**
Intensity	**kWh/m^2**	/	/	**106.25**	**100.89**

The Board aimed to maintain or gradually reduce energy used compared with last year's target. The Group has achieved its target during the Year. Looking forward, the Group sets targets on electricity and petrol consumption, aiming to maintain or gradually reduce usage based on 2024.

A2.1. Water Consumption

The total water consumption of the Group is as follows:

Use of Resource		Unit	2024	2023
Water Consumption	**Total**	**m^3**	108	108
	Intensity	**m^3/m^2**	0.15	0.15

No issue regarding water sourcing was reported during the Reporting Period. Sewage is discharged through the municipal wastewater system.

A2.2. Energy Use Efficiency Initiatives

The Group recognizes that reducing energy consumption not only benefits the environment but also results in cost savings and overall benefits for the Group. To control energy consumption, several measures have been implemented:

- Installing energy-efficient LED lighting;
- Setting the room temperature at or above 26°C during summer and at or below 20°C during winter;
- Ensuring doors and windows are closed when air conditioners are on;

- Switching off all lights, air conditioners, computers, photocopiers and other electrical appliances before leaving the office; and

- Assigning employees to manage the electricity usage to ensure that all lights and equipment are turned off before all employees leave the office building.

A2.3. Water Use Efficiency Initiatives

The Group's water resource consumption was minimal, and therefore, no policies or initiatives have been formulated. However, employees are consistently reminded to conserve water and minimize wastage. When a water leak is found, it will be repaired immediately to prevent water loss. Additionally, The Group encourages the recycling of wastewater for plant watering and car washing.

While the Group has not formalized policies regarding the efficient use of energy or water for its subcontractors. However, they are reminded to avoid unnecessary consumption of water and energy.

A2.4 Packaging Material

The Group's business operation has not significantly involved use of packaging materials, for example, the materials used in the exhibition services provided by the Group are managed by suppliers or contractors. The Group encourages suppliers and contractors to minimize the use of packaging materials.

A3. Environmental and Natural Resources

The nature of the Group's business does not significant impact the environment and natural resources and therefore, no formal policy has been established in this regard. However, the Group has monitored and managed the work practices of its business partners.

A3.1 Impacts on the Environment

The Group is an integrated exhibition and event management service provider, primarily involved in the design, planning, coordination and management of exhibitions and events. The environmental impact of its business operation is minimal. The Group is aware of the emissions generated from the construction works by its suppliers for various projects. Construction wastes such as plastic, cardboard and wooden frames are generated during the project implementation, and the amount of waste varies by the scale of exhibitions. Although the Group does not have direct control over the outsourced construction projects, it monitors and manages its contractors' environmental practices to minimise the indirect impact it causes on the environment. The Group will consistently promote the principles of environmental protection among employees and contractors, and effectively monitor its air emissions and solid waste generation.

A4. Climate change

Climate change impacts businesses to varying degrees. In particular, extreme weather can pose risks to the Group's business through damages and disruptions. The risk level is high and is expected to increase over the long term. Although climate change was not considered a critical topic by stakeholders or for Group's business development. The Group has not established a formal climate-related policy. However, to mitigate risks of extreme weather events, the Group has a safety emergency procedure in place which provides guidelines for handling disruptions caused by extreme weather. The safety emergency procedure defined various extreme weather events and put forward the preventive and control measures. The Group prioritizes employee safety and will cease operations and evacuate employees when extreme weather events threaten the safety of its people. Regular safety training and emergency drills are conducted to ensure that employees are prepared to handle and respond to such emergencies.

Risk Type	Risk Description	Mitigation measures
Physical Risks	Acute physical risks (e.g. flooding, super typhoon, storm surge, extreme rainfall)	• Review the impacts of extreme weather on the business and develop emergency plans for it; • Conduct disaster escape drills for employees; • Improve adaptability of employees during disaster via training.
	Chronic physical risks (such as extremely hot weather, and rising sea levels)	• Pay attention to the temperature of the office and the equipment room; • Conduct fire safety inspections and have fire drills to improve employees' fire awareness.

Risk Type	Risk Description	Mitigation measures
Transition Risks	Reputation Risk: If the Group neglects its social responsibilities and fails to adopt proper strategies to address the possible consequences of climate change, it is likely to influence the evaluation by different stakeholders, such as investors	• Enhance our interaction with all stakeholders; • Promptly disclose relevant information in a timely manner; • Guarantee that every stakeholder has the entitlement to be informed about the current state of the Group.
	Policy and regulatory risks: Tighter climate-related policies, report disclosure compliance risks, carbon trading and emission standards.	• Monitor regulatory trends to ensure that the Group's daily operations comply with the latest legal requirements to avoid unnecessary increases in costs and expenses due to violations of climate-related environmental policies; • Monitor the latest news on climate change-related environmental policies.
	Market risks	• Shift to a sustainable service regime and consider the climate-related risks and opportunities.

B. Social

The Group regards its employees as cornerstone of its business, and it committed to treating all employees fairly. Consequently, the Group spares no effort to achieve the best employment standards and practices. The Group has the Employee Handbook in place which outlining procedures related to employment, labour practices, performance reviews, compensation and benefits, development and training, data protection and intellectual property protection.

B1. Employment and Labour Practices

During the Reporting Period, the Group stringently complied with national and local laws and regulations regarding employment and labour practices, including but not limited to the following:

- Labour Law of the PRC;
- Labour Contract Law of the PRC;
- Social Insurance Law of the PRC;
- Labour Protection Regulations for Female Workers;

- Regulation on the Administration of Housing Accumulation Funds; and
- Regulation on Work-Related Injury Insurance.

The Group has been awarded the SA8000 certificate, reflecting its adherence to globally recognized social practices in areas such as forced and child labour, occupational health and safety, freedom of association, discrimination, working hours and compensation, and management systems in the workplace. The Group's Social Responsibility Management Handbook outlines the terms for freedom of association and collective bargaining. The Group upholds the rights of employees to form trade unions and collective bargaining, employees can also enjoy the freedom to elect their representatives. It ensures that members of trade unions will not be discriminated against. The Social Responsibility Management Handbook also guarantees equal opportunities for all employees and establishes stringent labour standards.

No significant non-compliance with relevant laws and regulations affecting the Group in areas such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period (2023: nil).

Staff Composition

As at 31 December 2024, the Group employed a total of 70 (2023: 57) staff, from Hong Kong and mainland China (2023: all from mainland China). The Group is committed to fostering a diverse and inclusive workforce, recognizing that this is essential for sustaining a successful and future-oriented business. The table below shows the workforce distribution across various categories.

	2024	2023
By Gender		
Male	58%	58%
Female	42%	42%
By Age Group		
≤30	27%	9%
31–45	69%	81%
46–60	4%	11%
By Employment Category		
Senior management	10%	11%
Middle Management	12%	14%
Frontline and Other Employees	79%	75%
By employee type		
Part-time employment	4%	7%
Full-time employment	96%	93%

The overall turnover rate during the Reporting Period was 31% (2023: 33%). Turnover rates by different categories are shown below.

Employee Turnover Rate — By Gender	2024	2023
Male	30%	33%
Female	32%	33%

Employee Turnover Rate — By Age Group	2024	2023
≤30	29%	9%
31–45	31%	81%
46–60	50%	11%

Employee Turnover Rate — By Region	2024	2023
Mainland China	100%	100%
Overseas	0%	0%

The Group has not identified any significant non-compliance with the Employment Ordinance of Hong Kong, the Employees' Compensation Ordinance of Hong Kong and other applicable laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare during the Reporting Period (2023: nil).

Competitive Compensation and Benefits Package

Employees receive a basic salary that aligns with their educational background, professional knowledge, experience and responsibilities. The Group offers various types of leaves, including annual leave, sick leave, work-related injury leave, marriage leave, maternity leave and compassionate leave. The Group contributed to the mandatory social insurance and housing provident fund monthly. It reviews employees' performances regularly and makes pay adjustments concerning the average salary level of the market. Promotion of employees is considered based on business need or available vacancies.

Equal Opportunity

The Group ensures equal opportunities for all employees in recruitment, job advancement, compensation and benefits, and training and development. Employees were not discriminated against or deprived of such opportunities based on gender, ethnic background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable law. The Group actively hired unemployed senior citizens and disabled; it has led by example to employ 1 employee with disabilities during the Reporting Period. The employment targets to provide opportunities for people with disabilities to gain working experience and to promote inclusiveness in the workplace. The Group also provided ample opportunities to fresh graduates, and guaranteed to offer reasonable pay to the disadvantaged groups.

Employee Communication

The Group places a high value on workplace communication, recognizing its role in fostering effective collaboration among employees from various categories and boosting productivity. Multiple channels were established to enhance communication among employees of different levels. Line managers conduct appraisal meetings with employees annually to review employees' performance, understand their concerns and difficulties, and set targets for the coming years. During the Reporting Period, the Group rewarded employees by distributing shopping coupons during Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival.

B2. Employee Health and Safety

The Group is dedicated to ensuring a safe and healthy working environment for its employees. It strictly adheres to relevant laws and regulations relating to occupational health and safety. The Group has implemented a safety management system with ISO 45001 accreditation.

The Group adheres to labor law requirements regarding working hours, labour environment and protection measures. To ensure the physical well-being of employees, free medical examinations were arranged for new employees and annual health checks for existing employees. Additional medical and accident insurance was also offered. In collaboration with the property management, the Group arranged regular fire safety training and drills for employees to raise their awareness of safety and emergency response management. Inspections of firefighting equipment and manual alarms were performed regularly. Signages with the numbers of the local fire station and emergency calls were placed in conspicuous places in the office for exigency.

The Group has printed and distributed the Safety Handbook that explains the general rules of workplace safety to all employees. The Handbook covered the following topics:

- proper safety practices of employees;
- precautious measures against work injuries caused by machinery, lifting, electric shock, pressure vessels, poisoning and suffocation, falling from height and vehicles;
- safe use of work equipment; and
- common violations in project implementation and precautions.

Occupational Health and Safety Data

The information on work accidence is set out below:

Health and Safety	2024	2023	2022
Number of work-related fatalities	0	0	0
Lost days due to work injury	0	0	0

The Group is not aware of any significant non-compliance with the Occupational Safety and Health Ordinance of Hong Kong, Prevention and Control of Disease Ordinance of Hong Kong, Law on Occupational Safety and other relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards during the Reporting Period (2023: nil).

B3. Development and Training

The Group offers ongoing training and development programmes for its employees. As outlined in the Group's Employee Handbook, the training needs of different employees were identified and assessed regularly to arrange appropriate training programmes for employees. The Group values employees' opinions. Feedback on the training programmes was continuously collected and analysed for future enhancement.

During the Reporting Period, 100% of the employees were trained and a total of 1,584 hours of training were provided. Each employee received 24 hours of training on average. The tables below illustrate the percentage of employees trained by category and the average training hours trained per employee.

The Total training hours received by the employees of the percentages of employees trained and average training hours in the Reporting Period are set out below:

Total Training Hours		2024	2023
Total Training Hours		**1,584**	**1,368**
Average Training Hours	**By Gender**		
	Male	24.00	24.00
	Female	24.00	24.00
	By Employee Category		
	Senior management	24.00	24.00
	Middle Management	24.00	24.00
	Frontline and Other Employees	24.00	24.00
Percentage of Employees Trained[1]	**By Gender**		
	Male	133%	100%
	Female	118%	100%
	By Employee Category		
	Senior management	120%	100%
	Middle Management	117%	100%
	Frontline and Other Employees	129%	100%

The Group promotes a healthy work-life balance for its employees. All employees are encouraged to participate in recreational activities to enhance the team spirit, employee's sense of belonging and morale.

Categories	Topics
Introduction	Corporate Culture, Anti-Corruption, Employee Handbook Introduction
Basic Knowledge	Financial Policies and Reimbursement, Anti-Corruption, Effective communication skills
Professional Knowledge	Exhibition Events
Certificate Courses	Intermediate Economist Certificate, Safety Officer Certificate, Associate Constructor Certificate
Software Application Training	Adobe Illustrator, Photoshop, 3Dmax, Sketchup pro

1 Percentage of Employees Trained are calculated by dividing the headcount of male employees trained by the total headcount of male employees, the same as other categories.

B4. Labour Standard

The Group enforces a strict zero-tolerance policy against child labour and forced labour. In accordance with the Labour Law of the PRC, there was no child labour nor forced labour in the Group's operations during the Reporting Period (2023: nil). To prevent such practices, the Human Resources Department checks the applicant's identification documents, including identity cards and academic certificates, and their proofs of resignation from previous employers or reference letters from schools to ensure that they are legally eligible to work for the Group before hiring them as the Group's employees. If any child labour or forced labour is discovered after his/her employment, the Group will immediately dismiss the employee concerned and report the incident to the related authority. Any violation of the Labour Law of the PRC will result in immediate dismissal without financial compensation.

B5. Supply Chain Management

The Group recognizes that effective supply chain management has beneficial effects on the Group, society, and the environment. Suppliers were selected through a stringent selection process to ensure the delivery of work is of high quality. The Group also fosters close relationship to secure long-term and stable partnerships.

The Group adheres to laws and regulations including the Regulation on the Implementation of the Bidding Law of the PRC, Measures for the Bid Invitation and Bid Tendering for Construction and Engineering Projects, and Measures for Survey and Design Bidding of Construction Projects. Suppliers were selected through a tendering process, involving pre-qualification and tender analysis. Before working with the Group, suppliers are required to sign a Confirmation of Compliance with the Code of Integrity and Professional Ethics.

The primary risks to the supply chain are environmental pollution and product quality. To mitigate these risks, the Group has implemented the following policy.

The Group has established Regulations on Procurement Management to create a robust supplier management system, standardise the procurement operation procedure, and enhance collaborate with suppliers, thereby controlling procurement risks. The regulation stipulated the roles and responsibilities of the procurement department, procurement standards, criteria used in supplier selection, supplier ranking list, procurement rights management and procurement procedure. The Group's procurement department was responsible for continuously enhancing the effectiveness of its supplier management. Principally, there will be no less than three suppliers in each procurement category. Suppose there is a quality problem with a service or product provided by a supplier, or a collusion between internal procurement staff and a supplier to raise the price or to provide false products. In that case, the Group will terminate its cooperation with the supplier involved.

The Group ensures that its suppliers can deliver qualified products by prioritizing large and medium-sized companies that have ISO 9001 quality control system certification and capacity for high-quality mass production. Suppliers were required to submit test reports approved by a product quality assurance agency, such as the National Building Material Quality Supervision and Inspection Center and the National Fireproof Building Material Quality Supervision and Inspection Center, etc. to prove that the raw materials used were non-toxic and safe.

In addition to ensuring quality, the Group also considers environmental performance in its supply chain management. Prospective suppliers were requested to submit their business licences, the environmental impact assessment reports, and the certificates from the China Association for Exhibition Centres for selection. The Group conducts regular compliance checks by visiting suppliers' factories.

During the Reporting Period, the Group had a total of 263 suppliers (2023: 19) in PRC, providing construction, lighting and operational services. All engaged suppliers must comply with the above-mentioned policies to minimise the environmental and social risks of the supply chain.

Region	Numbers
Northeast China	10
North China	115
East China	76
Central China	7
South China	29
Southwest China	7
Northwest China	19
Total	**263**

B6. Product Responsibility

Quality Assurance and Customer Satisfaction

The Group is committed to maintaining the highest standard of exhibition services quality. Its exhibition design, construction and after-sales service were all certified with the ISO 9001 Quality Management System.

The Group ensures that adequate resources are available on-site to supervise project implementation. For quality assurance, onsite checks were conducted against the workmanship and the materials used, according to the requirements of the contracts. Inspection was conducted in every stage of the project. If any defect or any non-conformity with the operating procedures arises, project managers will follow up on the case immediately. Remediation will be made accordingly before proceeding to the next stage. Materials used in the projects have obtained the necessary certificates to ensure that the products meet the quality standards.

To enhance customers' satisfaction, the Group request customers to complete an evaluation form at the end of each project to rate against the parameters such as product quality, control, communication, and service. The Group values customer feedback and continuously strives to make improvements to remain competitive.

During the Reporting Period, the Group did not violate any law and regulation relating to the health and safety of products and services (2023: nil). There was no product recalled due to safety and health reasons (2023: nil). No major complaint nor negative feedback has been received from customers during the Reporting Period (2023: nil). If any negative feedback is received, the Group addresses and resolves the issue immediately to ensure no further complaints.

Information Protection

The protection of stakeholders' privacy and confidentiality is of utmost importance to the Group. The Group has established the Data Privacy System to prevent data breaches, and misuse or abuse of the sensitive information of customers. Employees and business partners are required to sign a Confidentiality Agreement with the Group to prevent unauthorised disclosure of information.

The Group's Employee Handbook mandates that all employees must safeguard trade secrets. The Employee Handbook clearly defined trade secrets and listed measures to protect privacy and confidentiality. For example, visitors to the office should be accompanied by its employees and are not allowed to read confidential documents. Meetings should not be recorded without authorisation. Circulation of minutes is restricted to relevant personnel only. Private CDs, floppy disks, or USB drives are not permitted on the Group's computers.

Intellectual Property

The Group places great importance on protecting intellectual property rights, given its extensive introduction of innovative designs and services to various customers. Employees are required to keep confidential, except authorised by the Group, any trade secrets, confidential information, knowledge, data or other information of the Group relating to its designs, software systems, models and any other intellectual properties.

Clauses on intellectual property rights have been included in employees' contracts to strictly safeguard the Group's intellectual property rights, such as copyrights, patents, trademarks, trade secrets, domain names, etc.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to privacy matters had been identified during the Reporting Period (2023: nil).

Product Labelling and Advertising

The Group strictly adheres to applicable laws and regulations, including the Advertising Law of the PRC and the Trademark Law of the PRC. During the Reporting Period, no violations of relevant laws and regulations related to product labelling and advertising that have a significant impact on the Group were identified.

B7. Anti-corruption

The Group is dedicated to managing all businesses to avoid undue influence. It upholds honesty, integrity, and fairness as its core values. The Group strictly complies with the Anti-Unfair Competition Law of the PRC, The Company Law of the PRC, the Criminal Law of the PRC and other laws, regulations and regulatory documents related to commercial bribery. All directors and employees are required to strictly adhere to the Group's policy to prevent bribery, extortion, fraud and money laundering.

The Group has established the Code of Business Conduct to offer all employees with an official guideline on business practices. It was stated in the guideline that employees should not have interest conflicts with the Group and its customers. Employees and their immediate family members shall not accept, or offer, gifts and benefits from, or to, any personnel who has business engagement or is in business negotiations with the Group.

Employees who offer or accept gifts and benefits must adhere to Dowway's Policy on Gifts and Hospitality. Any act that could be perceived as bribery and covert payment is strictly prohibited. Suppliers, contractors, and any other companies and/or individuals being regarded by the Group as suppliers or service providers must abide by the Group's procurement policies. Employees' decisions should be based only on price and quality, as well as suppliers' integrity. During the consideration of contract or the procurement of goods or services, gifts, benefits, and other personal benefits and concessions shall never be accepted.

The Group has developed relevant policies on whistleblowing and established whistleblowing channels, including complaint mailboxes, suggestion boxes, and employee committees. Employees can report any suspected fraud and violations to the management. The Integrity Risk Control and Management Team has been set up to monitor employees' integrity. When a suspicious case is reported, an investigation will be conducted by the Integrity Risk Control and Management Team. The identity of the whistle-blower will be kept confidential.

There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the Reporting Period (2023: nil).

Anti-corruption Training

Employees of the Group play a vital role in combating corruption. The Group has been taking proactive steps to raise employees' awareness. Training sessions on anti-corruption are arranged regularly to introduce relevant national laws and regulations, as well as the Group's policies on anti-corruption. Employees are frequently reminded of the anti-corruption policies through memorandums. Additionally, all employees have signed the Rules on Integrity in Business and Integrity Pledge.

B8. Community Involvement

The Group is committed to fostering a sustainable community, understanding that our social responsibility extends beyond our immediate operations. We actively encourage and support our employees in participating in volunteer-work, promoting a culture of service and collaboration. This initiative helps us advance sustainability and enhance social well-being.

Although the Group has not yet engaged in community investment activities, we are dedicated to investing in community programs and activities in the coming years. Our focus will be on environmental protection, education, and cultural exchanges, as we strive to progress as a responsible company.

INDEPENDENT AUDITOR'S REPORT

FORVIS MAZARS CPA LIMITED
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To the members of
Dowway Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Dowway Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 82 to 152, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of 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 judgement, 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, we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of exhibition and event related services and exhibition showroom related services	
Refer to Notes 2, 4 and 7 to the consolidated financial statements. The Group's revenue derived from provision of exhibition and event related services and exhibition showroom related services amounted to approximately RMB122,716,000 for the year ended 31 December 2024. The revenue earned from these services is recognised over time using input method based on the progress of the exhibition projects by reference to the Group's inputs to the satisfaction of a performance obligation relative to the total estimated inputs for the satisfaction of that performance obligation at the end of the reporting period. We identified the recognition of revenue as a key audit matter as it involves significant estimations and judgements made by the management.	Our procedures in relation to revenue recognition included: — Understanding and evaluating the management's key internal controls that are present for the Group's budgeting process, cost accumulation process and revenue recognition; — Checking, on a sampling basis, the signed contracts, customers' confirmations and other correspondences with the customers to verify total contract sum of selected exhibition projects; — Evaluating, on a sampling basis, the accuracy of direct costs recognised to date by checking to the supplier invoices and delivery notes of material consumed, invoices or payment application from sub-contractors, payroll records on staff costs or other supporting documents to evaluate the progress of respective exhibitions or events; — Assessing the reliability of the management's estimation by comparing the actual outcome against the approved budgets of completed exhibition projects, on a sample basis; and — Checking the mathematical accuracy of the calculation of contract revenue based on the estimate of the progress of exhibitions or events.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit loss assessment of trade receivables and contract assets	
Refer to Notes 2, 3(c), 4, 17 and 18 to the consolidated financial statements. At 31 December 2024, the gross trade receivables and contract assets of the Group amounted to approximately RMB67,943,000 and RMB71,217,000 respectively. The Group's aggregate lifetime expected credit loss (the "ECL") on trade receivables and contract assets at 31 December 2024 amounted to approximately RMB18,075,000 and RMB17,852,000 respectively. The management of the Group performed assessment on the recoverability of the trade receivables and contract assets and the sufficiency of the allowance for ECL at the end of the reporting period. The management of the Group estimated the amount of ECL based on a provision matrix through grouping of various customers that have similar loss patterns, after considering the credit profile of respective customers, ageing analysis, historical settlement records, subsequent settlement status and on-going business relationships with the relevant customers. The provision matrix is based on the Group's historical default rates taking into consideration the forward-looking information that may impact the customers' ability to repay the outstanding balances. At the end of the reporting period, the historical observed default rates were reassessed and changes in the forward-looking information were considered.	Our procedures in relation to ECL assessment of trade receivables and contract assets included: — Understanding and evaluating management's key internal control and procedures for credit risk management and assessing the recoverability of trade receivables and contract assets; — Obtaining the ageing analysis of trade receivables and contract assets and discussing with the management of the Group about their evaluation of the background and financial capability of the debtors, evaluation of the impact of disputes with customers and any unforeseen delay of the exhibitions or events and their assessment of the recoverability of the balances; — Testing the accuracy of information used by management to develop the provision matrix, including ageing analysis of trade receivables and contract assets, on a sample basis, by comparing individual items in the analysis with the relevant financial records and other supporting documents; — Inquiring the management of the Group for the status of each of the material past due trade receivables as at the year-end date and the billing status of material contract assets, and corroborating explanation from the management with the supporting evidence such as on-going business relationship with the customers based on the trade records, checking historical and subsequent settlement status of and other correspondence with the customers;

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Expected credit loss assessment of trade receivables and contract assets *(Continued)*	
We identified the determination of ECL as a key audit matter as the amounts involved are significant and the determination requires estimations and judgements to be made by the management and involves estimation uncertainty.	— Assessing the appropriateness of the ECL provisioning methodology and challenging the management's basis and judgement used, including their identification of trade receivables and contract assets as at the reporting date, the reasonableness of management's grouping in the provision matrix, the accuracy of estimated loss rates (with reference to historical default rates and forward-looking information) applied in each category; and — Examining the key data inputs to assess the accuracy and completeness and challenging the assumptions including both historical and forward-looking information especially the market data used in determination of the ECL.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2024 Annual Report of the Company 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.

RESPONSIBILITIES OF THE DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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, 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 judgement 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 of the Company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 31 March 2025

The engagement director on the audit resulting in this independent auditor's report is:
Fong Chin Lung
Practising Certificate number: P07321

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	7	**140,164**	117,446
Cost of sales and services	9	**(123,738)**	(111,584)
Gross profit		**16,426**	5,862
Other gains and losses, net	8	**5,805**	192
Selling expenses		**(7,199)**	(8,936)
Administrative expenses		**(18,299)**	(12,635)
Net allowance for expected credit loss on trade receivables and contract assets	3(c)	**(2,132)**	(1,811)
Operating loss		**(5,399)**	(17,328)
Finance costs, net	11	**(1,183)**	(577)
Loss before income tax	9	**(6,582)**	(17,905)
Income tax credit	12	**259**	987
Loss for the year and total comprehensive expense for the year		**(6,323)**	(16,918)
Loss for the year and total comprehensive expense attributable to:			
Equity holders of the Company		**(5,746)**	(16,918)
Non-controlling interests		**(577)**	–
		(6,323)	(16,918)
Loss per share			
Basic and diluted *(in RMB cents)*	13	**(4.69)**	(14.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Plant and equipment	15	263	747
Right-of-use assets	16	1,343	2,495
Deposits	19	–	336
		1,606	3,578
Current assets			
Trade receivables	17	49,868	37,460
Contract assets	18	53,365	37,069
Deposits, prepayments and other receivables	19	19,066	17,380
Restricted bank balances	20	1,000	1,000
Cash and bank balances	20	6,211	12,439
		129,510	105,348
Current liabilities			
Trade and bills payables	21	73,689	64,253
Contract liabilities	22	2,097	4,841
Accruals and other payables	21	17,583	11,336
Interest-bearing borrowings	23	26,563	17,976
Lease liabilities	16	1,332	1,191
Tax payables		3,827	3,798
		125,091	103,395
Net current assets		4,419	1,953
Total assets less current liabilities		6,025	5,531
Non-current liabilities			
Interest-bearing borrowings	23	2,000	–
Lease liabilities	16	–	1,332
Deferred tax liabilities	24	336	624
		2,336	1,956
Net assets		3,689	3,575

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Capital and reserves			
Share capital	25	**1,632**	1,531
Share premium	25	**91,149**	84,813
Reserves	26	**(88,515)**	(82,769)
		4,266	3,575
Non-controlling interests		**(577)**	–
Total equity		**3,689**	3,575

These consolidated financial statements on pages 82 to 152 were approved and authorised for issue by the Board of Directors on 31 March 2025 and signed on its behalf by

Huang Xiaodi
Executive Director

Shum Ngok Wa
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to equity holders of the Company							
	Share capital RMB'000 (Note 25)	Share premium RMB'000 (Note 25)	Statutory reserves RMB'000 (Note 26(a))	Other reserves RMB'000 (Note 26(b))	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	1,531	84,813	3,211	(9,600)	(59,462)	20,493	–	20,493
Loss for the year and total comprehensive expense for the year	–	–	–	–	(16,918)	(16,918)	–	(16,918)
At 31 December 2023	1,531	84,813	3,211	(9,600)	(76,380)	3,575	–	3,575
At 1 January 2024	**1,531**	**84,813**	**3,211**	**(9,600)**	**(76,380)**	**3,575**	**–**	**3,575**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(5,746)**	**(5,746)**	**(577)**	**(6,323)**
Transactions with owners:								
Contributions and distributions								
Issue of shares *(Note 25)*	**101**	**6,336**	**–**	**–**	**–**	**6,437**	**–**	**6,437**
Transfer to statutory reserve	**–**	**–**	**254**	**–**	**(254)**	**–**	**–**	**–**
Total transactions with owners	**101**	**6,336**	**254**	**–**	**(254)**	**6,437**	**–**	**6,437**
At 31 December 2024	**1,632**	**91,149**	**3,465**	**(9,600)**	**(82,380)**	**4,266**	**(577)**	**3,689**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Operating Activities			
Cash (used in) generated from operations	28	(20,854)	2,130
Income tax paid		–	(16)
Net cash (used in) from operating activities		(20,854)	2,114
Investing Activities			
Purchases of plant and equipment	15	(24)	(12)
Interest received		25	14
Net cash from investing activities		1	2
Financing Activities			
Net proceeds from issue of shares	25	6,437	–
New bank borrowings raised	28	17,313	21,577
New other borrowings raised	28	14,000	–
Repayment of bank borrowings	28	(17,976)	(13,601)
Repayment of other borrowings	28	(2,750)	–
Interest paid on bank and other borrowings	28	(1,120)	(335)
Interest elements of lease payments	16	(88)	(211)
Principal elements of lease payments	16	(1,191)	(1,570)
Net cash from financing activities		14,625	5,860
Net (decrease) increase in cash and cash equivalents		(6,228)	7,976
Cash and cash equivalents at the beginning of reporting period		12,439	4,251
Effect of foreign exchange rate changes		–	212
Cash and cash equivalents at the end of reporting period, represented by cash and bank balances	20	6,211	12,439

1. GENERAL INFORMATION

Dowway Holdings Limited (the "Company") was incorporated in the Cayman Islands on 28 April 2017 as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its issued shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to this annual report.

The Company is an investment holding company and its subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in design, planning, coordination and management of exhibitions, events and showrooms, media advertising events and electronic commerce ("E-Commerce") services in the People's Republic of China (the "PRC").

In the opinion of the directors of the Company, its immediate holding company is A&B Development Holding Limited, a company incorporated in the British Virgin Islands (the "BVI") which is wholly-owned by Mr. Huang Xiaodi, the ultimate controlling shareholder and the executive director of the Company (the "Controlling Shareholder" or "Mr. Huang").

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, these financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

These consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and the Group. All values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2023 except for the adoption of certain new or amendments to HKFRS Accounting Standards and effective from the current period as set out in below.

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out in Note 4.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Basis of preparation *(Continued)*

Adoption of new/revised HKFRS Accounting Standards

In the current year, the Group has adopted for the first time the following new or amendments to HKFRS Accounting Standards issued by the HKICPA, which are mandatorily effective for the Group's consolidated financial statements for the accounting period beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments on this interpretation does not have any significant impact on the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Basis of preparation *(Continued)*

Adoption of new/revised HKFRS Accounting Standards *(Continued)*

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

A summary of the material accounting policies adopted by the Group is set out below.

Going concern

The Group recorded a net loss of approximately RMB6,323,000 and net cash outflow from operating activities of approximately RMB20,854,000 for the year ended 31 December 2024. At that date, the Group had total interest-bearing borrowings of approximately RMB28,563,000, out of which approximately RMB26,563,000 are repayable within 12 months, while the Group's cash and bank balances amounted to approximately RMB6,211,000. Also, the Group's current assets included contract assets of approximately RMB53,365,000 which have yet to be reclassified as trade receivables upon the certification or confirmation by the customers. There is a material uncertainty related to these matters that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Going concern *(Continued)*

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

(i) The Group continues to monitor the progress of the exhibition and event projects and ensure that they will be completed and the service fees will be received in the expected time frame;

(ii) The Group is currently negotiating the repayment schedules with certain of its debtors and endeavoring to request them to repay the trade receivables in accordance with the repayment schedules agreed with them;

(iii) The Group is taking measures to tighten cost controls with an aim to attain positive cash flows from operations;

(iv) The Group is seeking for extension and renewal of its bank and other borrowings upon maturity;

(v) The directors of the Company are considering various alternatives to strengthen the capital base of the Company including but not limited to, seeking new investment and business opportunities. In particular, subsequent to 31 December 2024, the Company entered into the share subscription agreements to allot and issue new shares of the Company with estimated net proceeds of approximately HK$8,950,000 (as disclosed in Note 33 to the consolidated financial statements); and

(vi) The ultimate controlling shareholder of the Company, Mr. Huang, has stated that he is willing to provide financial support to the Group to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors of the Company are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements.

The directors of the Company believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group. However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost.

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Allocation of total comprehensive income

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

Changes in ownership interest

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Subsidiaries

A subsidiary is an entity that is controlled by the Group. 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 reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, investment in subsidiaries is stated at cost less impairment loss, if any. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated economic useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Motor vehicles	5 years
Equipment	3 years
Furniture	3–5 years

Right-of-use assets arising from leases over the buildings and other assets which the Group is not the registered owner of the property interests, are depreciated over their lease term.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its plant and equipment, right-of-use assets and the Company's investment in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee (Continued)

Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option — in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	Over the term of lease

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee *(Continued)*

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Recognition and derecognition (Continued)

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.

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 the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity instrument measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, restricted bank balances and cash and bank balances.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, and interest-bearing borrowings. All financial liabilities 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 insignificant, in which case they are stated at cost.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 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.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral

(iv) industry of debtors

(v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

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 the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) 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); or

(ii) there is a breach of financial covenants by the counterparty.

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Assessment of 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. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the receivables for which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower 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.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Simplified approach of ECL

For trade receivables and contract assets without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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 include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and demand deposits, and short-term, highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired. Bank deposits which are restricted to use are included in "Restricted bank balances", which are excluded from cash and cash equivalents in the consolidated statement of cash flows. Cash and bank balances are assessed for ECL.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Employee benefits

Pension obligations

The Group contributes on a monthly basis at certain percentage of the employee's salaries to various defined contribution retirement benefit plans organised by relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans. The contributions are recognised as employee benefit expense when they are due.

Housing funds

The PRC employees of the Group are also entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds is limited to the contributions payable in each period. The Group has no legal or construction obligations to pay further contributions after payment of the fixed contributions.

Revenue recognition

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customers.

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

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

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

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

(iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

(i) direct measurements of the value transferred by the Group to the customer; or

(ii) the Group's efforts or inputs to the satisfaction of the performance obligation.

If a contract involves multiple services, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for ECL in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Costs to fulfil a contract

The Group incurs costs to fulfill a contract in its exhibition and trade show contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to ECL review.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Principal versus agent

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions which follows the accounting guidance for principal-agent considerations in HKFRS 15.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue from the following major sources: 1) provision of exhibition and event related services and exhibition showroom related services; 2) provision of advertising related services; and 3) E-commerce services. The Group's revenue recognition policies on each of these revenue sources are as follows:

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Provision of exhibition and event related services and exhibition showroom related services

The Group undertakes exhibition and event projects primarily as a project manager, and provides a comprehensive range of services which include design, planning, coordination and management of the exhibitions and events. The Group also provides the design, decoration and maintaining of exhibition showroom. Revenue from providing these services is recognised in the accounting period in which the services are rendered.

In the contract with the customer, a series of distinct exhibition and event related services has the same pattern of transferring the control of the services to the customer. Therefore, series guidance is applied and the Group accounts for a series of distinct exhibition and event related services as one performance obligation. As the Group's performance does not create an asset with an alternative use to the Group and in accordance with the terms explicated in the service agreements, the Group has legal enforceable right to payment for performance completed to date and so revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation with the input method, under which, revenue is recognised on the basis of the Group's inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

When applying the input method, the management makes estimates of the total costs based on the budget of each project which includes the expected time table of the exhibition and the estimation of resources to be consumed, including labour hours and costs.

The estimation of the total costs and the extent of progress toward completion will be revised if circumstances change, for example, when the total costs incurred is different from the amounts that were initially budgeted. Budget cost of each project will be reviewed periodically and revised accordingly where significant variances are noted during the revision.

The Group usually receives the payment from customers based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Advertisement related services

The Group provides one-stop online marketing solutions, including traffic data acquisition from top online publishers, participation in content production, raw data analysis and advertisement campaign optimisation, to help advertising customers acquire, convert and retain final consumer on various leading media platforms. The customers simultaneously receive and consume the benefits when the advertisements are released on the designated online media platform. Revenue from advertisement related services is recognised over time using the output method, which mainly based on optimised Cost Per Mille ("oCPM") or optimised Cost Per Click ("oCPC").

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Advertisement related services *(Continued)*

While none of the factors individually is considered presumptive or determinative, in this arrangement the Group is the primary obligor and is responsible for (i) identifying and contracting with third-party advertisers which the Group views as customers, the Group is primarily responsible for delivering the specified services to the advertisers; (ii) identifying online publishers to provide online spaces whereby the Group views the online publishers as suppliers; (iii) bearing the sole responsibility as consultant for advertising content integrated and fulfilment of the advertising; (iv) acquires use traffic data from online publishers which cannot be compensated by total consideration received from the advertisers, which is similar to inventory risk; and (v) having the discretion to establish the prices of advertising related services with the customers, the Group acts as the principal of these arrangements and therefore recognises revenue earned and costs incurred related to these transactions on a gross basis.

E-commerce

Revenue from one-stop value chain services represents selling consumer products on self-operated digital platform, which is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Revenue from SaaS platform services represents the provision of related handling services of selling consumer products, which is recognised at a point in time when the services are rendered.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of use assets.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carried forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carried forward unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “Other gains and losses, net” in the profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties

A related party is a person or entity that is related to the Group.

(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 the key management personnel of the Group or of the parent of the Group.

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

(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 employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also 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 the key management personnel of the entity (or of a parent of the entity).

(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 parent of the Group.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties *(Continued)*

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:

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

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

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the consolidated financial statements provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

Categories of financial instruments

	2024	2023
	RMB'000	*RMB'000*
Financial assets		
At amortised cost		
— Trade receivables	**49,868**	37,460
— Deposits and other receivables	**927**	802
— Restricted bank balances	**1,000**	1,000
— Cash and bank balances	**6,211**	12,439
	58,006	51,701
Financial liabilities		
At amortised cost		
— Trade and bills payables	**73,689**	64,253
— Accruals and other payables	**5,161**	1,655
— Interest-bearing borrowings	**28,563**	17,976
— Lease liabilities	**1,332**	2,523
	108,745	86,407

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Currency risk

Currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to currency exchange rate is minimal as substantially all of the Group's monetary assets and liabilities are denominated in RMB, which is same as the functional currency of the respective group entities.

Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk. The Group manages foreign currency risk by closely monitoring the proportion of its non-HK$ and RMB assets and liabilities.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed rate interest-bearing borrowings, while the Group was exposed to cash flow interest rate risk in relation to its bank balances, which the directors considered the exposure and interest rate risk is insignificant.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

(c) Credit risk

The Group was exposed to credit risk in relation to its (i) trade receivables; (ii) deposits and other receivables; (iii) contract assets; and (iv) bank balances.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group implemented standardised management procedures over the processes of target customers' selection, monitoring and management of non-performing receivables and other aspects. Through implementation of relevant credit risk management policies and procedures, the optimisation of the portfolio of receivables, the Group is able to timely and effectively identify, monitor and manage its potential credit risks.

Changes in the economic environment will have an impact on the Group's receivables, and the adverse effects will increase the possibility of losses incurred by the Group. The management of the Company are responsible for the management of credit risks, and periodically report on the quality of assets to the directors of the Company.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets

For trade receivables and contract assets, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition is performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its trade receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has concentration of credit risk as 24% *(2023: 16%)* and 14% *(2023: 11%)* of the total trade receivables and contract assets of the Group, respectively, were due from the largest debtor and 76% *(2023: 50%)* and 38% *(2023: 47%)* of the total trade receivables and contract assets of the Group, respectively, were due from the largest five debtors, one of which is an information transmission and software company which is engaged in providing information transmission technology in the PRC and others were automobile companies which manufacture and sell cars in the PRC *(2023: one of which was a communication technology company which is engaged in providing information and communications technology (ICT) infrastructure and smart devices in the PRC and others were automobile companies which manufacture and sell cars in the PRC).*

Should there be change in the strategic relationships with these major customers that might cause change in the cooperative arrangements; or if they experience financial difficulties themselves which in turn causes difficulties in their settling payables to the Group, the Group's revenue from these customers which are mainly communication technology and automobile companies might be adversely affected due to deterioration in recoverability of trade receivables and contract assets from them. To manage this risk, the Group's management team maintains frequent communications with their contacts at the customers to ensure the Group captures the most updated understanding about the customers business status and assesses their credibility. In view of the smooth cooperation history with these customers and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable and contract assets balances due from these companies is low.

For the rest of the customers, the management performs ongoing credit evaluation which focus on the customers' history of making payments and current ability to pay. As for new customers, the management is responsible for managing and analysing the credit risk for each of their new customers before they offer such new customers standard payment and delivery terms and conditions. To do such assessment, various factors including their financial position and other factors about these new customers would be considered.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

The Group applies HKFRS 9 simplified approach to measure the ECL which uses a lifetime expected loss allowance for all trade receivables and contract assets from initial recognition.

The impairment assessment under ECL model is performed on trade receivables and contract assets individually or based on provision matrix.

Except for customers with significant balances or credit-impaired, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to the repayment history over a period of 12 months and the corresponding historical credit losses experienced within this period. The historical loss rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group had considered that the gross domestic growth is the most relevant factor, and it is applied in the ECL model given some significant changes in the market indexes, and accordingly, adjusted the historical loss rates based on expected changes of the factor.

The directors of the Company are of the opinion that there has been no default occurred in respect of certain customers past due 90 days or more and the balances are still considered fully recoverable due to long term and on-going business relationship and good repayment record from these customers. As such, the directors of the Company considered that the presumption of default could be rebutted for certain customers.

The following table provides information about the exposure to credit risk and ECL for trade receivables at the reporting date.

At 31 December 2024	Automobile companies			Non-automobile companies			Advertisement companies			E-commerce		
	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*
0-90 days past due	0.9%	109	1	0.5%	27,321	134	-	-	-	-	12,088	-
91-180 days past due	0.8%	354	3	-	-	-	-	-	-	-	-	-
Over 180 days past due	100.0%	5,688	5,688	80.9%	10,253	8,296	32.6%	12,130	3,953	-	-	-
		6,151	5,692		37,574	8,430		12,130	3,953		12,088	-

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

At 31 December 2023	Automobile companies			Non-automobile companies			Advertisement companies		
	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*
0-90 days past due	5.6%	7,014	390	4.1%	10,775	444	35.4%	5,499	1,945
91-180 days past due	37.5%	8	3	9.7%	14,026	1,366	–	–	–
Over 180 days past due	100.0%	4,740	4,740	100.0%	4,889	4,889	35.4%	6,631	2,345
		11,762	5,133		29,690	6,699		12,130	4,290

Except for those customers that were found as credit-impaired, the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets, and the forward-looking information determined in above was also incorporated to estimate the loss allowance of contract assets.

The following table provides information about the exposure to credit risk and ECL for contract assets at reporting date.

	Automobile companies			Non-automobile companies			Advertisement companies		
	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Expected loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*
At 31 December 2024	**6.5%**	**20,160**	**1,314**	**29.0%**	**41,557**	**12,053**	**47.2%**	**9,500**	**4,485**
At 31 December 2023	5.0%	21,068	1,057	49.3%	23,616	12,256	45.9%	9,500	4,360

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Trade receivables and contract assets *(Continued)*

The movement of loss allowance provision for trade receivables and contract assets were as follows:

	Trade receivables		Contract assets		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
At 1 January	**16,122**	15,755	**17,673**	16,229	**33,795**	31,984
Net allowance for ECL recognised during the year	**1,953**	367	**179**	1,444	**2,132**	1,811
At 31 December	**18,075**	16,122	**17,852**	17,673	**35,927**	33,795

During the years ended 31 December 2024 and 2023, the increase in loss allowance on trade receivables was mainly due to the increase in long overdue trade receivables.

At 31 December 2024, the Group had trade receivables and contract assets with gross amounts of approximately RMB5,984,000 *(2023: approximately RMB8,607,000)* and RMB11,617,000 *(2023: approximately RMB11,671,000)* respectively, being credit impaired since the management of the Group considered these balances are unlikely to be recoverable or partially recoverable. At 31 December 2024 and 2023, the credit impaired trade receivables and contract assets are fully impaired.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a long period.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Other financial assets at amortised cost

For the deposits and other receivables, they are closely monitored for recoverability and collectability and the Group maintains close communications with the counterparties. The Group uses the past-due information of counterparties to assess whether credit risk has increased significantly since initial recognition. At the reporting date, the balances are not past due, and based on historical experience, majority of these balances were settled shortly upon maturity, hence the associated credit risk is minimal. The management considered that the identified impairment loss under expected credit loss model was immaterial.

The Group's bank balances are placed in reputable financial institutions with sound credit ratings assigned by international credit rating agencies. The management believes there is no significant credit risk of loss on such assets.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
Performing	The counterparty has a low to moderate risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Underperforming	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Non-performing	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(c) Credit risk *(Continued)*

Other financial assets at amortised cost *(Continued)*

The tables below detail the credit risk exposures of the Group's financial assets and other item which are subject to ECL assessment:

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount 2024 *RMB'000*	Gross carrying amount 2023 *RMB'000*
Financial assets at amortised cost:					
Trade receivables	*17*	Performing	Lifetime ECL (not credit-impaired)	**39,518**	23,288
		Underperforming	Lifetime ECL (not credit-impaired)	**22,441**	21,687
		Non-performing	Lifetime ECL (credit-impaired)	**5,984**	8,607
Contact assets	*18*	Performing	Lifetime ECL (not credit-impaired)	**49,451**	35,125
		Underperforming	Lifetime ECL (not credit-impaired)	**10,095**	7,946
		Non-performing	Lifetime ECL (credit-impaired)	**11,671**	11,671
Deposits and other receivables, excluding prepayments for goods and services	*19*	Performing	12m ECL (not credit-impaired)	**927**	802
Restricted bank balances and cash and bank balances	*20*	N/A	12m ECL	**7,211**	13,439

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group's finance department. The Group's finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The directors have carried out a detailed review of the cash flow forecast of the Group covering a period of not less than twelve months from the date of this report and other measures taken by the management as referred to in Note 2 to the consolidated financial statements, and consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the twelve months from the end of the reporting period.

The table below analyses the non-derivative financial liabilities and lease liabilities of the Group into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances within 1 year other than bank borrowings and lease liabilities, equal their carrying balances as impact from discounting is not significant.

	Weighted average interest rate	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
At 31 December 2024					
Trade, bills and other payables (excluding accrued employee benefits and other taxes)	**N/A**	**78,850**	**–**	**78,850**	**78,850**
Interest-bearing borrowings	**3.92%**	**27,658**	**2,253**	**29,911**	**28,563**
Lease liabilities	**4.41%**	**1,364**	**–**	**1,364**	**1,332**
		107,872	**2,253**	**110,125**	**108,745**
At 31 December 2023					
Trade, bills and other payables (excluding accrued employee benefits and other taxes)	N/A	65,908	–	65,908	65,908
Interest-bearing borrowings	3.82%	18,351	–	18,351	17,976
Lease liabilities	4.41%	1,278	1,364	2,642	2,523
		85,537	1,364	86,901	86,407

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY *(Continued)*

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total interest-bearing borrowings divided by total equity.

The gearing ratios were as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Total interest-bearing borrowings	**28,563**	17,976
Total equity	**3,689**	3,575
Gearing ratio	**774.27%**	502.83%

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the management to make judgements, estimates and assumptions that affect the adoption of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 described below.

(a) Measurement of progress of exhibitions and events for revenue recognition

The Group measures progress of exhibitions and events and recognises its revenue according to the proportion of actual costs of work performed to date as compared to total budgeted costs of works. Due to the nature of the activities undertaken in these projects, the date at which the project activities are entered into and the date when the activities are completed may fall into different accounting periods.

The management estimates the revenue and budgeted costs at the commencement of the exhibitions and events and regularly assesses the progress as well as the financial impact of scope changes, claims, disputes and liquidation damages. Budgeted costs which mainly comprise labor costs, subcontracting charges, material and consumables and other costs are estimated by the management. Any significant variances in estimations of the budgeted costs will impact the measurement of progress which drives the revenue recognition of works in an accounting period. The management constantly conducts periodic review of the relevance of budgets by reviewing the actual amounts incurred and comparing with previous estimated amounts in order to mitigate the exposure to significant variances.

(b) Current and deferred income tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of current and deferred income tax in the period in which such estimates are changed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Allowance for ECL on trade receivables and contract assets

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions. The Group performs impairment assessment under ECL model on trade receivables and contract assets individually or based on provision matrix.

Except for customers with significant balances or credit-impaired, which are assessed for impairment individually, the Group used provision matrix to calculate the ECL for its trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that have similar credit risk characteristics. The provision matrix is based on relevant historical loss rates taking into consideration forward looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the estimated loss rates are reassessed and changes in forward looking information are considered.

The assessment requires management judgement and estimates. Where the actual outcome or expectation in future is different from original estimate, such differences will impact the carrying amount of trade receivables and contract assets and credit loss allowance in the period in which the estimate has been changed.

(d) Impairment of non-financial assets

Plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment losses, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test. No impairment losses were recognised during the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

5. FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

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

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] The effective date to be determined

The directors do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on consolidated position or performance.

6. SEGMENT INFORMATION

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the "CODM") of the Group, being the executive directors of the Company, for the purpose of resources allocation and performance assessment.

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. Exhibition and event related business

2. Advertisement related business

3. E-commerce business

The Group's operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

6. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

Segment results represent the profit or loss by each segment without allocation of finance costs, net, corporate incomes and expenses, which is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

Year ended 31 December 2024

	Exhibition and event related services *RMB'000*	Advertisement related services *RMB'000*	E-commerce *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	122,716	–	17,448	140,164
Results of reportable segments	1,344	212	(589)	967
Corporate income				237
Corporate expenses				(6,603)
Operating loss				(5,399)
Finance costs, net				(1,183)
Loss before income tax				(6,582)
Income tax credit				259
Loss for the year				(6,323)
Segment results include:				
Depreciation of right-of-use assets	1,152	–	–	1,152
Depreciation of plant and equipment	60	–	–	60
Written off of plant and equipment	448	–	–	448
Reversal of ECL on prepayments	(79)	–	–	(79)
Provision for (Reversal of) ECL on trade receivables and contract assets, net	2,344	(212)	–	2,132
Settlement discount from suppliers	(5,937)	–	–	(5,937)
Other segment information:				
Addition to plant and equipment *	15	–	–	15

6. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

Year ended 31 December 2023

	Exhibition and event related services *RMB'000*	Advertisement related services *RMB'000*	E-commerce *RMB'000*	Total *RMB'000*
Revenue from external customers and reportable segment revenue	107,399	10,047	–	117,446
Results of reportable segments	(7,657)	(8,156)	–	(15,813)
Corporate income				192
Corporate expenses				(1,707)
Operating loss				(17,328)
Finance costs, net				(577)
Loss before income tax				(17,905)
Income tax credit				987
Loss for the year				(16,918)
Segment results include:				
Depreciation of right-of-use assets	1,465	137	–	1,602
Depreciation of plant and equipment	75	7	–	82
Written off of plant and equipment	15	–	–	15
Net loss on modification of lease	198	–	–	198
Impairment of prepayments	1,045	638	–	1,683
(Reversal of) Provision for ECL on trade receivables and contract assets, net	(6,037)	7,848	–	1,811
Other segment information:				
Addition to plant and equipment *	12	–	–	12

* The amount did not include addition of right-of-use assets.

6. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

No information of segment assets and liabilities is reviewed regularly by the CODM for resource allocations and the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

Geographical information

The Group's revenue is derived from within the PRC, and the non-current assets are mainly located in the PRC, hence no geographical analysis information is presented.

Information about major customers

Revenue from customers (presented by entities under common control, if appropriate) of the corresponding years individually contributing over 10% of the Group's revenue are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Exhibition and event related services		
Customer A	**35,390**	28,381
Customer B	**16,637**	*(Note)*
Customer C	**15,257**	16,228
Customer D	***(Note)***	12,525
E-commerce		
Customer E	**17,419**	–

Note: The customer contributed less than 10% of the total revenue of the Group from the relevant year.

7. REVENUE

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within HKFRS 15		
— Over time		
Exhibition and event related services	**117,582**	101,515
Exhibition showroom related services	**5,134**	5,884
	122,716	107,399
Advertisement related services	**–**	10,047
	122,716	117,446
— At a point in time		
One-stop value chain services	**15,959**	–
SaaS platform services	**1,489**	–
	17,448	–
	140,164	117,446

Substantially all revenue contracts are for one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to the unsatisfied contracts at the end of the reporting period is not disclosed.

8. OTHER GAINS AND LOSSES, NET

	2024 *RMB'000*	2023 *RMB'000*
Government grant *(Note)*	**118**	190
Exchange (loss) gain, net	**(179)**	211
Settlement discount from suppliers	**5,937**	–
Net loss on modification of lease *(Notes 16(c) & 28)*	**–**	(198)
Written off of plant and equipment *(Note 15)*	**(448)**	(15)
Penalty income	**291**	–
Reversal of ECL on prepayments	**79**	–
Others	**7**	4
	5,805	192

Note: During the year ended 31 December 2024, the Group received government grant of approximately RMB118,000 *(2023: approximately RMB190,000)* in accordance with the government tax policy, such amount has been recognised as other income due to the Group has fulfilled conditions and other contingencies attached to the receipts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived after charging:

	2024 *RMB'000*	2023 *RMB'000*
Cost of sales and services by revenue streams:		
— Exhibition and event related services	**102,595**	97,205
— Exhibition showroom related services	**4,917**	4,990
— Advertisement related services	**–**	9,389
— One-stop value chain services	**15,926**	–
— SaaS platform services	**300**	–
	123,738	111,584
Included in cost of services:		
— Materials and consumables costs	**63,962**	55,075
— Venue and equipment related charges	**19,978**	16,728
— Design and services fee	**12,092**	15,038
— Subcontracting labour fee	**3,979**	2,550
Employee benefit expenses, including directors' emoluments *(Note 10) (Note iv)*	**16,157**	13,439
Depreciation on plant and equipment *(Note 15) (Note i)*	**60**	82
Depreciation on right-of-use assets *(Note 16) (Note ii)*	**1,152**	1,602
Expenses relating to short-term leases *(Note iii)*	**1,376**	116
Auditors' remuneration	**1,127**	882
Professional services and consultancy fees	**4,722**	3,735
Net allowance for ECL on:		
— Trade receivables *(Note 3(c))*	**1,953**	367
— Contract assets *(Note 3(c))*	**179**	1,444
	2,132	1,811
(Reversal of) Provision for ECL on prepayments *(Note 19)*	**(79)**	1,683

Notes:

(i) Total depreciation of plant and equipment of approximately RMB20,000 and RMB40,000 *(2023: approximately RMB37,000 and RMB45,000)* has been charged to cost of services and administrative expenses for the year ended 31 December 2024, respectively.

(ii) Total depreciation of right-of-use assets of approximately RMB1,152,000 *(2023: approximately RMB1,602,000)* has been charged to administrative expenses for the year ended 31 December 2024.

(iii) Total operating lease expense in respect of short-term leases of approximately RMB1,376,000 *(2023: approximately RMB116,000)* has been charged to cost of services for the year ended 31 December 2024.

(iv) Total staff costs of approximately RMB7,552,000 and RMB8,605,000 *(2023: approximately RMB7,456,000 and RMB5,983,000)* has been charged to cost of services and administrative expenses for the year ended 31 December 2024, respectively.

10. EMPLOYEE BENEFIT EXPENSES

	2024 *RMB'000*	2023 *RMB'000*
Wages and salaries	**12,743**	10,526
Pension scheme and other social security costs	**2,576**	1,361
Housing benefits	**398**	693
Other costs and benefits	**440**	859
	16,157	13,439

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included four *(2023: two)* directors whose emoluments are reflected in the analysis shown in Note 30. Details of the remuneration for the year of the remaining one *(2023: three)* highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Wages and salaries	**312**	831
Pension scheme and other social security costs	**83**	195
Housing benefits	**16**	77
Other costs and benefits	**–**	25
	411	1,128

The number of highest paid employees who are not directors whose remuneration fell within the following band

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

No bonuses have been paid to the Company's five highest paid employees for the year ended 31 December 2024 *(2023: Nil)*.

During the year ended 31 December 2024, no emolument *(2023: Nil)* was paid or payable by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2024 and 2023.

11. FINANCE COSTS, NET

	2024 *RMB'000*	2023 *RMB'000*
Finance income		
Interest income on bank balances and deposits	**25**	14
Finance costs		
Interest expense on bank and other borrowings	**(1,120)**	(335)
Interest on lease liabilities *(Note 16(c))*	**(88)**	(211)
Others	**–**	(45)
	(1,208)	(591)
Finance costs, net	**(1,183)**	(577)

12. INCOME TAX

	2024 *RMB'000*	2023 *RMB'000*
Current tax		
— PRC enterprise income tax ("EIT")	**29**	13
Deferred tax *(Note 24)*	**(288)**	(1,000)
Total income tax credit for the year	**(259)**	(987)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax under these jurisdictions.

The PRC EIT is calculated at 25% *(2023: 25%)* of the estimated assessable profits of subsidiaries operating in the PRC.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. The Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2024 and 2023.

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

	2024 *RMB'000*	2023 *RMB'000*
Loss before income tax	**(6,582)**	(17,905)
Tax expense calculated at applicable PRC statutory tax rate of 25%	**(1,645)**	(4,476)
Difference in tax rates	**919**	565
Income not taxable for tax purposes	**(4)**	(47)
Expenses not deductible for tax purposes	**735**	169
Tax effect of unrecognised tax losses	**1,776**	2,487
Tax effect of unrecognised deductible temporary differences	**216**	315
Tax concession	**(50)**	–
Utilisation of previously unrecognised tax losses	**(2,206)**	–
Income tax credit	**(259)**	(987)

12. INCOME TAX *(Continued)*

At 31 December 2024, the Group has estimated unused tax losses and deductible temporary differences in respect of expected credit losses and lease liabilities arising in the PRC of approximately RMB33,732,000 and RMB38,863,000 *(2023: approximately RMB35,452,000 and RMB38,000,000)* respectively, subject to the agreement of tax bureau in the PRC. The estimated unused tax losses will be available for offsetting against future profits for a maximum period of five years from the reporting date.

Deferred tax assets have not been recognised in respect of these items as it is not considered probable that profits will be available against which the above items can be utilised.

13. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2024	2023
Loss attributable to equity holders of the Company *(in RMB'000)*	**(5,746)**	(16,918)
Weighted average number of ordinary shares in issue *(thousand)*	**122,577**	120,000
Basic loss per share *(in RMB cents)*	**(4.69)**	(14.10)

The weighted average number of ordinary shares of 122,577,000 for the year ended 31 December 2024 is derived from 127,000,000 shares in issue after taking into account the effects of new shares of 4,000,000 and 3,000,000 issued on 24 June 2024 and 31 October 2024 respectively (Note 25).

For the years ended 31 December 2024 and 2023, the computation of diluted loss per share did not assume the exercise of the outstanding share options since the exercise price per share option was higher than the average share price of the Company for both years.

14. SUBSIDIARIES

The Group's principal subsidiaries at the end of reporting period are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operation	Registered/ Issued capital	Ownership interest held by the Company			
				Directly		Indirectly	
				2024	2023	2024	2023
Downway International Company Limited	Hong Kong, limited liability company*	Investment holding/Hong Kong	HK$1	100%	100%	–	–
Sky Star Technology Limited (formerly known as Yi-commerce China Limited)	Hong Kong, limited liability company*	Inactive/Hong Kong	HK$1	–	100%	51%	–
Beijing Dowway International Exhibition Company Limited+ ("Beijing Dowway")	The PRC, limited liability company#	Exhibition and event related services/The PRC	RMB54,000,000	–	–	100%	100%
Beijing Dowway Cultural Technology Company Limited+ ("Dowway Cultural")	The PRC, limited liability company@	Exhibition showroom related services and advertisement related services/The PRC	RMB3,200,000	–	–	100%	100%
Connected-To-Create (CTC) PR Consultant Company Limited+	The PRC, limited liability company@	Exhibition and event related services/The PRC	RMB5,000,000	–	–	100%	100%
Sense and Creative Technology Company Limited+	The PRC, limited liability company@	Exhibition and event related services/The PRC	RMB19,000,000	–	–	100%	100%
Sky Star Shuzhi (Wuhan) Information Technology Limited+	The PRC, limited liability company#	E-commerce/The PRC	HK$1,000,000	–	–	51%	–

* Registered as company limited by shares under Hong Kong/BVI law.
\# Registered as wholly foreign owned enterprises under the PRC law.
@ Registered as limited liability company wholly owned by Beijing Dowway under the PRC law.
\+ English translation for identification purpose only

15. PLANT AND EQUIPMENT

	Motor vehicles *RMB'000*	Equipment and furniture *RMB'000*	Total *RMB'000*
Year ended 31 December 2023			
At 1 January 2023	167	665	832
Additions	–	12	12
Depreciation charged *(Note 9)*	(16)	(66)	(82)
Written-off *(Note 8)*	–	(15)	(15)
At 31 December 2023	151	596	747
Year ended 31 December 2024			
At 1 January 2024	**151**	**596**	**747**
Additions	**–**	**24**	**24**
Depreciation charged *(Note 9)*	**–**	**(60)**	**(60)**
Written-off *(Note 8)*	**(57)**	**(391)**	**(448)**
At 31 December 2024	**94**	**169**	**263**
At 31 December 2023			
Cost	2,139	5,326	7,465
Accumulated depreciation	(1,988)	(4,730)	(6,718)
	151	596	747
At 31 December 2024			
Cost	**2,064**	**4,565**	**6,629**
Accumulated depreciation	**(1,970)**	**(4,396)**	**(6,366)**
	94	**169**	**263**

16. LEASES

(a) Right-of-use assets

The Group has lease contracts for the offices used for its operation. Those leases generally run for an initial period of two years *(2023: two years)*. There are no lease contracts that include variable lease payments. No extension or termination options, nor variable lease payments, were contained in the above lease contracts. During the year ended 31 December 2023, the Group re-negotiated certain leases with the landlords to reduce the space of office premises and entered into renewed lease agreements. Such decrease in scope of the leases is accounted for as lease modifications at the date when both parties agreed to the change (i.e. the date of renewed agreement), and the difference between the decrease in the carrying amount of right-of-use assets and lease liabilities was recorded as gain on the modification of lease in profit or loss.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
At 1 January	**2,495**	6,498
Modification of lease	**–**	(2,401)
Depreciation charged *(Note 9)*	**(1,152)**	(1,602)
At 31 December	**1,343**	2,495

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Offices *RMB'000*
At 1 January 2023	6,505
Accretion of interest during the year	211
Principal elements of lease payments	(1,570)
Modification of lease	(2,412)
Interest elements of lease payments	(211)
At 31 December 2023 and 1 January 2024	**2,523**
Accretion of interest during the year	**88**
Principal elements of lease payments	**(1,191)**
Interest elements of lease payments	**(88)**
At 31 December 2024	**1,332**

16. LEASES *(Continued)*

(b) Lease liabilities *(Continued)*

	2024 RMB'000	2023 RMB'000
Analysed into:		
Current portion	**1,332**	1,191
Non-Current portion	**–**	1,332
	1,332	2,523

The weighted average incremental borrowing rates applied to lease liabilities was 4.41% *(2023: 4.41%)*. The total movement and cash outflow for leases and the maturity analysis of the lease liabilities are disclosed in Notes 28 and 3(d) to the consolidated financial statements, respectively.

The maturity analysis of lease liabilities is as follows:

	2024 RMB'000	2023 RMB'000
Within one year	**1,364**	1,278
Over one year but within two years	**–**	1,364
Total lease payments	**1,364**	2,642
Less: Future finance charges	**(32)**	(119)
	1,332	2,523

16. LEASES *(Continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Interest on lease liabilities *(Note 11)*	88	211
Depreciation charged on right-of-use assets *(Note 9)*	1,152	1,602
Expenses relating to short-term leases *(Note 9)*	1,376	116
	2,616	1,929
Gain on modification of lease	–	(11)
Surcharges on modification of lease	–	209
Net loss on modification of lease *(Note 8)*	–	198
	2,616	2,127

(d) Leases committed

At 31 December 2024 and 2023, the Group did not enter into any new leases that are not yet commenced.

At 31 December 2024 and 2023, no commitments on short-term leases or low-value asset leases.

17. TRADE RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables	67,943	53,582
Less: Loss allowance *(Note 3(c))*	(18,075)	(16,122)
Trade receivables, net	49,868	37,460
Arising from:		
Exhibition and event related services	29,603	29,621
Advertising related services	8,177	7,839
E-commerce	12,088	–
	49,868	37,460

17. TRADE RECEIVABLES *(Continued)*

The Group provided customers with credit period ranging from 30 to 120 *(2023: 30 to 120)* days from the date on which invoice was issued. The credit terms of each customer of the Group were determined by the Group's sales team and were subject to review and approval of the Group's management based on the customers' payment history, transaction volume and length of business relationship with the Group.

All outstanding trade receivables balances were being reviewed by the Group's sales department on a regular basis to ensure that any overdue receivable was promptly monitored and appropriate collection actions were taken. The Group's sales department would follow up on the collections and the Group's accounting department would monitor the progress of collection. For those material long outstanding balances, legal actions would be taken for debt collection. During the years ended 31 December 2024 and 2023, no legal actions were taken by the Group for debt collection.

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on invoice date:

	2024 ***RMB'000***	2023 *RMB'000*
Up to 90 days	**35,895**	20,509
91 to 180 days	**3,498**	12,665
Over 180 days	**10,475**	4,286
	49,868	37,460

The following is an aging analysis of trade receivables (net of loss allowance) at the end of the reporting period presented based on due date:

	2024 ***RMB'000***	2023 *RMB'000*
Up to 90 days	**39,383**	20,509
91 to 180 days	**351**	12,665
Over 180 days	**10,134**	4,286
	49,868	37,460

Information about the Group's exposure to credit risks and loss allowance for trade receivables is included in Note 3(c) to the consolidated financial statements.

18. CONTRACT ASSETS

The Group has recognised the following assets related to contracts with customers:

	2024 *RMB'000*	2023 *RMB'000*
Current contract assets related to contracts with customers	**71,217**	54,742
Less: Loss allowance *(Note 3(c))*	**(17,852)**	(17,673)
Contract assets, net	**53,365**	37,069

The balance represented the Group's right to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the exhibition and events completed by the Group and the work is pending for the certification and confirmation by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification or confirmation of the completed exhibition and events and advertising services from the customers.

The Group applied the simplified approach to provide for expected credit losses prescribed by HKFRS 9 and the movement in the loss allowance of contract assets was set forth in Note 3(c).

The Group classifies these contract assets as current assets because the Group expects to realise them in its normal operating cycle.

At the end of the reporting period, the carrying amounts of contract assets were expected to be realised within one year *(2023: Same)*.

The movements of contract assets (before loss allowance and excluding those arising from increases and decrease both occurred within the same year) from contracts with customers within HKFRS 15 during the years are as follows:

	2024 *RMB'000*	2023 *RMB'000*
At 1 January	**54,742**	80,160
Recognition of revenue	**45,568**	35,637
Transferred to trade receivables	**(29,093)**	(61,055)
At 31 December	**71,217**	54,742

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Non-current portion		
Deposits *(Note i)*	–	336
Current portion		
Deposits *(Note i)*	336	–
Loans to employees *(Note ii)*	591	466
	927	466
Prepayments		
Prepayment for consumable items *(Note iii)*	3,233	2,210
Prepayment to suppliers for services *(Note iv)*	16,510	16,387
	19,743	18,597
Less: Loss allowance on prepayments	(1,604)	(1,683)
Prepayments and other receivables, net	19,066	17,380

Notes:

(i) Balances represent rental deposits for properties.

(ii) Balances represent the loans to employees, which were unsecured, interest free, and had no fixed maturity date.

(iii) Balances represent the prepayment for consumable items to be used for exhibition and events related business.

(iv) Balances mainly represent the prepaid selling expenses and prepayment to subcontractors or suppliers for exhibition and events related business. In some situations, when the Group enters into service agreements with respective suppliers, it is required to make some prepayment to secure the suppliers' services, the venues which the exhibitions and events are held and the rental of materials or rental of equipment. The prepayment would be utilized when the Group has provided the services to the customers.

The directors of the Company reassessed the possibility of realisation of the prepayments and recognised impairment loss of approximately RMB1,604,000 *(2023: approximately RMB1,683,000)* due to the doubtful realisation of these assets which are unlikely to generate future economic benefits.

20. RESTRICTED BANK BALANCES AND CASH AND BANK BALANCES

	2024 RMB'000	2023 RMB'000
Restricted bank balances	**1,000**	1,000
Cash at banks	**6,211**	12,105
Cash on hand	**–**	334
	6,211	12,439
	7,211	13,439

Restricted bank balances comprised deposits of approximately RMB1,000,000 *(2023: approximately RMB1,000,000)* pledged to certain banks as security for certain banking facilities (Note 23).

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2024, the cash and cash equivalents of the Group denominated in HK$ and United States dollar amounted to approximately RMB558,000 and RMB168,000 *(2023: approximately RMB183,000 and RMB164,000)*, respectively. The Group has cash and cash equivalents denominated in RMB amounting to approximately RMB6,485,000 *(2023: approximately RMB13,092,000)* and were kept in the PRC. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables *(Note (a))*	**70,689**	61,253
Bills payable *(Notes (a) & 23)*	**3,000**	3,000
	73,689	64,253
Accruals and other payables:		
Amounts due to directors *(Note 29)*	**644**	–
Employee benefit payables	**4,176**	2,312
Other tax payables	**8,246**	7,369
Other accruals and payables *(Note (b))*	**4,517**	1,655
	17,583	11,336
	91,272	75,589

21. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES *(Continued)*

(a) Trade and bills payables

All of the trade and bills payables are expected to be settled within one year from the reporting date or are repayable on demand as at the end of each reporting period. At 31 December 2024, the credit period granted by the suppliers are generally ranging from 90 to 180 *(2023: 90 to 180)* days.

The following is an aging analysis of trade and bills payables at the end of the reporting period presented based on the invoice dates:

	2024 ***RMB'000***	2023 *RMB'000*
Up to 90 days	**40,164**	34,683
91 days to 180 days	**16,566**	11,076
181 days to 365 days	**10,027**	8,002
Over 365 days	**6,932**	10,492
	73,689	64,253

(b) Other accrual and payables

At 31 December 2024 and 2023, the balances mainly included the accrued expenses and payables related to project tender submission, professional services and consultancy fees.

22. CONTRACT LIABILITIES

When the Group receives a deposit at the acceptance of exhibition and event project, this will give rise to contract liabilities at the start of the contract until the revenue is recognised.

	2024 ***RMB'000***	2023 *RMB'000*
At the beginning of the reporting period	**4,841**	4,631
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(4,841)**	(4,631)
Increase in contract liabilities excluding amounts recognised as revenue during the year	**2,097**	4,841
At the end of the reporting period	**2,097**	4,841

The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligation that have original expected duration of one year or less.

23. INTEREST-BEARING BORROWINGS

	2024 **RMB'000**	2023 RMB'000
Bank borrowings		
— Secured	**8,000**	13,000
— Unsecured	**9,313**	4,976
	17,313	17,976
Other borrowings		
— Unsecured	**11,250**	–
	28,563	17,976
Current portion	**26,563**	17,976
Non-current portion	**2,000**	–
	28,563	17,976
Secured by *(Note)*:		
— Corporate guarantee of an independent third party	**8,000**	10,000
— Personal guarantee of Mr. Huang	**–**	3,000
	8,000	13,000

Note: The corporate guarantee was provided by a financial institution engaged in the business of providing corporate guarantees and Mr. Huang shall bear unlimited joint and several liability for such guarantee.

23. INTEREST-BEARING BORROWINGS *(Continued)*

The amounts of banking facilities and utilisation at the end of each reporting period are set out as follows:

	2024 **RMB'000**	2023 RMB'000
Facilities amount	**20,313**	24,076
Utilisation at the end of the reporting period:		
— Bills payable *(Note 21)*	**3,000**	3,000
— Bank borrowings	**17,313**	17,976
	20,313	20,976

At 31 December 2024, bills payable of the Group were secured by restricted bank balances of RMB1,000,000 (Note 20) *(2023: RMB1,000,000)*.

At 31 December 2024, bank borrowings bear fixed interests ranging from 2.45% to 4.00% *(2023: 2.80% to 4.00%)* per annum.

At 31 December 2024, other borrowings bear fixed interests ranging from 8.00% to 12.00% *(2023: Nil)* per annum.

24. DEFERRED TAX LIABILITIES

The movement in the Group's deferred tax liabilities arising from depreciation allowance for the years ended 31 December 2024 and 2023 was as follows:

	2024 **RMB'000**	2023 RMB'000
At the beginning of the reporting period	**624**	1,624
Credited to profit or loss *(Note 12)*	**(288)**	(1,000)
At the end of the reporting period	**336**	624

25. SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares

	Number of shares *'000*	Nominal value of ordinary shares *US$'000*
Authorised:		
Ordinary shares of US$0.002 each at 1 January 2023, 31 December 2023 and **31 December 2024**	**1,000,000**	**2,000**

	Number of shares *'000*	Nominal value of ordinary shares *US$'000*	Equivalent value of ordinary shares *RMB'000*	Share premium *RMB'000*	Total *RMB'000*
Issued and paid:					
At 1 January 2023, 31 December 2023 and 1 January 2024	**120,000**	**240**	**1,531**	**84,813**	**86,344**
Issue of shares in June 2024 *(i)*	**4,000**	**8**	**58**	**3,644**	**3,702**
Issue of shares in October 2024 *(ii)*	**3,000**	**6**	**43**	**2,692**	**2,735**
At 31 December 2024	**127,000**	**254**	**1,632**	**91,149**	**92,781**

(i) On 3 June 2024, the Company and a subscriber named Mr. Li Wenjie entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Li Wenjie has conditionally agreed to subscribe for, 4,000,000 new ordinary shares of the Company at the subscription price of HK$1 per subscription share (the "Share Subscription 1"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 1 was completed on 24 June 2024. Details are set out in the Company's announcements dated 3 June 2024 and 24 June 2024.

(ii) On 21 October 2024, the Company and a subscriber named Mr. Hui Guojin entered into a subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Hui Guojin has conditionally agreed to subscribe for, 3,000,000 new ordinary shares of the Company at the subscription price of HK$1 per subscription share (the "Share Subscription 2"). These shares rank pari passu with all existing shares in all respects. The Share Subscription 2 was completed on 31 October 2024. Details are set out in the Company's announcements dated 21 October 2024 and 31 October 2024.

26. RESERVES

(a) Statutory reserves

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the subsidiaries incorporated in the PRC comprising the Group (the "PRC Subsidiaries"), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. When the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of shareholders. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.

(b) Other reserve

The other reserve represents the consideration paid during the reorganisation on 25 September 2017 as deemed distributions to shareholders.

27. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 December 2024 *(2023: Nil)*.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**(6,582)**	(17,905)
Adjustments for:		
— Depreciation of plant and equipment *(Note 9)*	**60**	82
— Depreciation of right-of-use assets *(Note 9)*	**1,152**	1,602
— Net allowance for ECL on trade receivables and contract assets *(Note 9)*	**2,132**	1,811
— (Reversal of) Provision for ECL on prepayment *(Note 8)*	**(79)**	1,683
— Finance costs, net	**1,183**	532
— Exchange (gains) loss, net *(Note 8)*	**–**	(211)
— Net loss on modification of lease *(Note 8)*	**–**	198
— Written off of plant and equipment *(Note 8)*	**448**	15
— Settlement discount from suppliers *(Note 8)*	**(5,937)**	–
Changes in working capital:		
— Trade receivables	**(14,361)**	11,330
— Deposits, prepayments and other receivables	**(1,272)**	(7,207)
— Contract assets	**(16,475)**	25,418
— Restricted bank balances	**–**	(1,000)
— Trade and bills payables	**15,373**	(12,938)
— Contract liabilities	**(2,744)**	210
— Accruals and other payables	**6,248**	(1,490)
Cash (used in) generated from operations	**(20,854)**	2,130

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

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.

	Bank and other Borrowings *RMB'000* *(Note 23)*	Lease liabilities *RMB'000* *(Note 16)*	Total *RMB'000*
At 1 January 2023	10,000	6,505	16,505
Other changes:			
Interest expenses *(Note 11)*	335	211	546
Modification of lease	–	(2,412)	(2,412)
Changes from financing cash flows:			
Interest paid	(335)	–	(335)
Proceeds from borrowings	21,577	–	21,577
Repayment of borrowings	(13,601)	–	(13,601)
Principal elements of lease payments	–	(1,570)	(1,570)
Interest elements of lease payments	–	(211)	(211)
At 31 December 2023 and 1 January 2024	17,976	2,523	20,499
Other changes:			
Interest expenses *(Note 11)*	**1,120**	**88**	**1,208**
Changes from financing cash flows:			
Interest paid	**(1,120)**	**–**	**(1,120)**
New bank borrowings raised	**17,313**	**–**	**17,313**
New other borrowings raised	**14,000**	**–**	**14,000**
Repayment of bank borrowings	**(17,976)**	**–**	**(17,976)**
Repayment of other borrowings	**(2,750)**	**–**	**(2,750)**
Principal elements of lease payments	**–**	**(1,191)**	**(1,191)**
Interest elements of lease payments	**–**	**(88)**	**(88)**
At 31 December 2024	**28,563**	**1,332**	**29,895**

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

Total Cash Outflow for Leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within operating activities	**1,376**	116
Within financing activities	**1,279**	1,781
	2,655	1,897

29. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control, common significant influence or joint control. Members of controlling shareholder, key management and their close family member of the Group are also considered as related parties.

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

Balances with related parties

	2024 *RMB'000*	2023 *RMB'000*
Amounts due to directors of the Company		
— Mr. Shum Ngok Wa	**175**	–
— Mr. Dong Kejia	**467**	–
— Mr. Huang Xiaodi	**2**	–
	644	–

The amounts were interest free, unsecured and had no fixed terms of repayment.

Key management compensation

Details of compensation paid or payable to key management personnel of the Group are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Wages and salaries	**2,750**	2,848
Pension scheme and other social security costs	**213**	220
Housing benefits	**37**	68
	3,000	3,136

30. BENEFITS AND INTERESTS OF DIRECTORS

Year ended 31 December 2024

	Fee *RMB'000*	Salary *RMB'000*	Contribution to pension plan, welfare and other expense *RMB'000*	Total *RMB'000*
Chairman				
Mr. Huang Xiaodi	–	240	76	316
Executive directors				
Mr. Chen Xicheng (appointed on 24 April 2024)	–	1,142	12	1,154
Mr. Yan Jinghui	–	210	57	267
Mr. Shum Ngok Wa	–	554	6	560
Mr. Dong Kejia	–	–	–	–
Non-executive director				
Mr. Lian Mingcheng (appointed on 24 April 2024)	–	–	–	–
Independent non-executive directors				
Ms. Xu Shuang	120	–	–	120
Mr. Gao Hongqi (resigned on 7 June 2024)	60	–	–	60
Mr. Tam Chak Chi (appointed on 5 September 2024)	36	–	–	36
Mr. Tsoi Ka Shing (resigned on 5 September 2024)	42	–	–	42
Ms. Yau Yin Tan (appointed on 5 September 2024)	36	–	–	36
	294	2,146	151	2,591

30. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

Year ended 31 December 2023

	Fee *RMB'000*	Salary *RMB'000*	Contribution to pension plan, welfare and other expense *RMB'000*	Total *RMB'000*
Chairman				
Mr. Huang Xiaodi	–	240	86	326
Executive directors				
Mr. Yan Jinghui	–	180	64	244
Mr. Shum Ngok Wa	–	801	9	810
Mr. Dong Kejia	–	963	9	972
Independent non-executive directors				
Mr. Gao Hongqi	120	–	–	120
Ms. Xu Shuang	120	–	–	120
Mr. Tsoi Ka Shing (appointed on 27 October 2023)	20	–	–	20
Mr. Yu Leung Fai (resigned on 27 October 2023)	90	–	–	90
	350	2,184	168	2,702

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive director's emoluments shown above were mainly for services as director of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

No bonuses have been paid to the Company's executive directors and non-executive directors for the year ended 31 December 2024 *(2023: Nil)*.

30. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

During the year ended 31 December 2024, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office, and no director waived their remuneration *(2023: Nil)*.

During the year ended 31 December 2024, Mr. Shum Ngok Wa and Mr. Dong Kejia, executive directors of the Group, agreed to waive emoluments of approximately RMB553,000 and RMB1,327,000 *(2023: approximately RMB271,000 and RMB325,000)*, respectively during the year due to the impact on the financial performance of Group.

31. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the "Retirement Benefit Scheme") organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

At 31 December 2024, no forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) was available to be utilised by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme *(2023: Nil)*.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the Companies Ordinance, the statement of financial position of the Company and the movements in its reserves is set out below:

	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Investment in subsidiaries *(Note 14)*	**221**	221
Amounts due from subsidiaries *(Note a)*	**1,599**	1,171
Total non-current assets	**1,820**	1,392
Current assets		
Cash and cash equivalents	**698**	319
Current liabilities		
Accruals	**2,998**	–
Other payables	**1,866**	–
	4,864	–
Net current (liabilities) assets	**(4,166)**	319
Net (liabilities) assets	**(2,346)**	1,711
Capital and reserves		
Share capital *(Note 25)*	**1,632**	1,531
Share premium *(Note 25)*	**91,149**	84,813
Reserves *(Note b)*	**(95,127)**	(84,633)
Total (deficits) equity	**(2,346)**	1,711

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 31 March 2025 and signed on its behalf by

Huang Xiaodi
Executive Director

Shum Ngok Wa
Executive Director

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

(a) The balances were unsecured, interest free and had no fixed terms of repayment.

(b) A summary of the Company's reserves is as follows:

	Accumulated losses *RMB'000*
At 1 January 2023	(75,906)
Loss for the year and total comprehensive expense for the year	(8,727)
At 31 December 2023 and 1 January 2024	**(84,633)**
Loss for the year and total comprehensive expense for the year	**(10,494)**
At 31 December 2024	**(95,127)**

33. EVENTS AFTER THE REPORTING PERIOD

On 19 March 2025, the Company and three independent third parties, named CT Vision Strategic Company Limited, Hu Zhixi and Xu Linxin, entered into three subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and CT Vision Strategic Company Limited, Hu Zhixi and Xu Linxin have conditionally agreed to subscribe for 6,000,000, 1,000,000 and 2,000,000 new ordinary shares (the "Subscription Shares") of the Company at HK$1 per subscription share respectively.

The Subscription Shares represent approximately 6.62% of the issued and enlarged share capital of the Company upon the completion of the subscription.

The estimated aggregate gross and net proceeds of the Subscriptions will be HK$9,000,000 and approximately HK$8,950,000 respectively, which are intended to be used for general working capital of the Group.

Details are set out in the Company's announcement dated 19 March 2025.