# AV Promotions Holdings Limited AV策劃推廣(控股)有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 8419 Annual Report 2024

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This annual report, for which the directors (the "**Directors**") of AV Promotions Holdings Limited (the "**Company**") collectively and individually accept full responsibilities, 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 and its subsidiaries (collectively, the "**Group**", "we", "our" or "us"). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this annual 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 annual report misleading.

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# **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

#### **Executive Directors**

Mr. Wong Man Por (Chairman and Chief Executive Officer) Mr. Wong Hon Po (resigned with effect from 1 March 2024) Mr. Wong Chi Bor

#### Independent non-executive Directors

Dr. Leung Wai Cheung Mr. Cheung Wai Lun Jacky (resigned with effect from 31 December 2024) Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)

#### AUDIT COMMITTEE

Dr. Leung Wai Cheung *(Chairman)* Mr. Cheung Wai Lun Jacky (resigned with effect from 31 December 2024) Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)

#### **REMUNERATION COMMITTEE**

Mr. Chan Wing Kee (*Chairman*)Dr. Leung Wai CheungMr. Wong Hon Po (resigned with effect from 1 March 2024)Mr. Wong Chi Bor (appointed with effect from 1 March 2024)

#### NOMINATION COMMITTEE

Mr. Wong Man Por *(Chairman)* Mr. Cheung Wai Lun Jacky (resigned with effect from 31 December 2024) Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)

#### AUTHORISED REPRESENTATIVES

Mr. Wong Man Por Ms. Kwong Yuk Ying

#### **COMPLIANCE OFFICER**

Mr. Wong Man Por

#### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 1–15 & 25–27, 19/F Oceanic Industrial Centre 2 Lee Lok Street Ap Lei Chau Hong Kong

# REGISTERED OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR

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

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands

# CORPORATE INFORMATION (continued)

#### LEGAL ADVISERS TO THE COMPANY

#### As to Hong Kong law:

Loeb & Loeb LLP 2206–19 Jardine House 1 Connaught Place Central Hong Kong

#### AUDITORS

HLB Hodgson Impey Cheng Limited *Certified Public Accountants* 31st floor, Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong

#### **COMPANY SECRETARY**

Ms. Kwong Yuk Ying

#### **COMPANY WEBSITE**

www.avpromotions.com

#### **STOCK CODE**

8419

#### PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited 20 Pedder Street Central Hong Kong

Nanyang Commercial Bank, Limited 151 Des Voeux Road Central Hong Kong

United Overseas Bank Limited 28/F, Champion Tower 3 Garden Road Central Hong Kong

### CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**") of the Company, I am pleased to present the annual report of AV Promotions Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**").

Following the listing of the shares of the Company (the "Shares") on the Stock Exchange (the "Listing") by way of placing and public offer (collectively, the "Share Offer") on 21 December 2017, we have continued to maintain our leading position as a one-stop visual, lighting and audio solutions provider in Hong Kong, the People's Republic of China (the "PRC") and Macau. We have strong capabilities for providing customised visual display solutions and technical support, large quantity and wide range of visual display equipment, professional management and technical staff with extensive knowledge and expertise.

The Group recognised revenue of approximately HK\$125.9 million for the Reporting Period, representing a decrease of approximately HK\$13.3 million or 9.6% as compared with the year ended 31 December 2023. The number of events handled by the Group decreased during the Reporting Period as compared with the year ended 31 December 2023. The gross profit of the Group for the Reporting Period amounted to approximately HK\$30.2 million, as compared with approximately HK\$21.8 million for year ended 31 December 2023. The net profit of the Group increased from net loss of approximately HK\$12.4 million for the year ended 31 December 2023 to net profit of approximately HK\$1.8 million for the Reporting Period.

Looking forward, we will continue to remain cautious and maintain our prudent financial policy to improve the Group's financial performance and to actively explore business opportunities. To increase competitive edge of the Group over its competitors and to control the Group's overall costs to a reasonable level, the Group will unite its efforts to carefully evaluate each project, and to strive for increase in returns. The Board will also actively seek potential business opportunities in other segments of the live events industry, e.g. content distributors and production specialists, and to widen the geographical coverage of the Group so as to broaden the sources of income and enhance value to the shareholders of the Company (the "Shareholders").

The Board would like to extend its sincere thanks to our Shareholders, business partners and customers for their utmost support to the Group particularly during the unprecedented Pandemic. The Board would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

#### Wong Man Por

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 March 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

#### **BUSINESS REVIEW**

The Group is principally engaged in the provision of one-stop visual, lighting and audio solution services in Hong Kong, the People's Republic of China (the "**PRC**") and Macau. The Group derived its revenue from provision of the aforesaid services to exhibitions, ceremonies, conferences, TV shows, product launches, concerts, competitions and other types of events.

During the Reporting Period, the Group was engaged in approximately 780 events compared with approximately 890 events for the corresponding period in 2023. The Group derived approximately 48.4% of its total revenue (2023: 62.0%) from exhibitions during the Reporting Period, the majority of which took place in Hong Kong and the PRC.

The Group recognised revenue of approximately HK\$125.9 million for the Reporting Period, representing a decrease of approximately HK\$13.3 million or 9.6% as compared with the year ended 31 December 2023. The number of events handled by the Group decreased during the Reporting Period as compared with the year ended 31 December 2023. The gross profit of the Group for the Reporting Period amounted to approximately HK\$30.2 million, representing an increase of approximately 38.5% as compared with approximately HK\$21.8 million for the year ended 31 December 2023. The Group recorded a net profit of approximately HK\$1.8 million for the Reporting Period as compared to net loss of approximately HK\$12.4 million for the year ended 31 December 2023.

The Group is confident in further improving its profitability and bringing value to its stakeholders in the long run. The Board will proactively seek potential business opportunities so as to broaden the sources of income of the Group and to enhance value to the shareholders of the Company (the "**Shareholders**").

#### **Principal Risks and Uncertainties**

The Group's financial condition, results of operations, and business prospects could be affected by a number of risks and uncertainties including market risk, credit risk and liquidity risk. The risk management policies and practices of the Group are shown in note 3 to the consolidated financial statements in this annual report.

#### FINANCIAL REVIEW

#### Revenue

During the Reporting Period, the Group generated revenue from the provision of visual, lighting and audio solutions services to its customers in various events, including exhibitions, ceremonies, conferences, concerts, competitions, TV shows, product launches and other types of events.

The following table sets forth the breakdown of the number of events and the Group's revenue by types of events for the Reporting Period with comparative figures for the year ended 31 December 2023:

	Year ended 31 December					
		2024			2023	
	Number			Number		
	of events	HK\$'000		of events	HK\$'000	%
						$\mathbf{M}$
Exhibition	231	60,982	48.4	244	86,302	62.0
Ceremony	156	18,552	14.7	79	9,110	6.5
Conference	97	18,220	14.5	94	11,456	8.2
Competition	27	11,179	8.9	26	5,767	4.2
TV show	87	6,390	5.1	152	8,400	6.0
Concert	49	5,895	4.7	97	7,737	5.6
Product launch	4	834	0.7	20	4,794	3.4
Others <sup>(Note)</sup>	127	3,835	3.0	179	5,677	4.1
Total revenue	778	125,887	100.0	891	139,243	100.0

Note: Others mainly represented annual dinners, parties and other private events.

During the Reporting Period, the Group principally derived its revenue from exhibitions which accounted for approximately 48.4% of the Group's total revenue (2023: 62.0%). The Group's revenue decreased from approximately HK\$139.2 million for the year ended 31 December 2023 to approximately HK\$125.9 million for the Reporting Period, representing a decrease of approximately 9.6%. The decrease in revenue was mainly due to the decrease in number of events undertaken by the Group from approximately 890 events for the year ended 31 December 2023 to approximately 780 events for the Reporting Period.

#### Revenue analysis by geographical location

The following table sets forth the breakdown of the Group's revenue by geographical location for the Reporting Period with comparative figures for the year ended 31 December 2023:

		Year ended 31 December			
	2024		2023		
	HK\$'000	%	HK\$'000	%	
II	02 526		(4.155	46.1	
Hong Kong	83,726	66.5	64,155	46.1	
The PRC	42,161	33.5	74,929	53.8	
Macau	-	-	159	0.1	
Total revenue	125,887	100.0	139,243	100.0	

During the years ended 31 December 2024 and 2023, the majority of the Group's revenue was generated from the PRC and Hong Kong.

#### Cost of services

The following table sets forth the breakdown of the Group's cost of services for the Reporting Period with comparative figures for the year ended 31 December 2023:

	Year ended 31 December			
	2024		2023	
	HK\$'000	%	HK\$'000	%
Short-term leases payments	30,098	31.5	36,839	31.4
Employee benefit expenses	29,777	31.1	32,367	27.6
Depreciation of property, plant				
and equipment	16,429	17.2	26,395	22.5
Material cost of consumables	4,645	4.9	5,417	4.6
Freight expenses	4,373	4.6	4,976	4.2
Depreciation of right-of-use assets	3,507	3.7	4,679	4.0
Travel expenses	2,511	2.6	2,833	2.4
Other expenses	4,300	4.4	3,962	3.3
Total cost of services	95,640	100.0	117,468	100.0

The decrease in cost of services was mainly driven by the decrease in employee benefit expenses, depreciation of property, plant and equipment and short-term leases payments.

#### Short-term lease payments

Short-term lease payments mainly represented the cost from renting of equipment from independent third parties to cater for our extra equipment needs, taking into account factors including (i) the availability of our equipment with reference to the schedule of our projects; (ii) the location of our projects; and (iii) our requirement of specific equipment to carry out specific effects desired by our customers. For the Reporting Period, short-term lease payments constituted approximately 31.5% (2023: 31.4%) of our total cost of services.

#### Employee benefit expenses

Employee benefit expenses mainly represented salaries, wages, staff benefit (including mandatory provident funds, social insurance and housing provident funds, if applicable) paid to our front line on-site technical and maintenance staff and fees paid for the services provided by ad hoc manpower. For the Reporting Period, employee benefits expenses constituted approximately 31.1% (2023: 27.6%) of our total cost of services.

#### Depreciation of property, plant and equipment

Depreciation charges under cost of services mainly represented depreciation on the Group's visual and display equipment for the provision of its services. For the Reporting Period, depreciation of our visual and display equipment constituted approximately 17.2% (2023: 22.5%) of our total cost of services. The decrease was mainly due to change of depreciation method of the Group's property, plant and equipment from reducing balance method to straight-line method since 1 January 2023.

#### Material cost of consumables

Material cost of consumables mainly represented the cost of consumables used for the on-site installation and maintenance and backdrop materials. For the Reporting Period, material costs of consumables constituted approximately 4.9% (2023: 4.6%) of our total cost of services.

#### Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period amounted to approximately HK\$30.2 million (2023: HK\$21.8 million), representing gross profit margin of approximately 24.0% (2023: 15.7%). The increase in gross profit was due to the decrease in cost of services of the Group during the Reporting Period as disclosed above.

#### Other income

Other income mainly represented government grants received during the Reporting Period, which amounted to approximately HK\$0.4 million (2023: HK\$0.2 million).

#### Other gains, net

Other net gains of the Group mainly represented gains/(losses) on disposals of property, plant and equipment, gain on lease termination and net foreign exchange differences. The significant difference between the figures during the relevant periods for the years ended 31 December 2024 and 2023 was mainly due to gain on lease termination of approximately HK\$1.2 million during the Reporting Period.

#### Selling expenses

Selling expenses mainly comprised staff cost of our Group's sales and marketing department, advertising expenses and travel expenses of our sales department. The Group's selling expenses increased by approximately 10.3% from approximately HK\$6.8 million for the year ended 31 December 2023 to approximately HK\$7.5 million for the Reporting Period. The increase was due to the addition of sales department headcount and frequent travel during the Reporting Period.

#### Administrative expenses

Administrative expenses of the Group mainly comprised administrative staff costs, depreciation of office equipment and right-of-use assets, and other sundry expenses. The Group's administrative expenses decreased by approximately 18.2% from approximately HK\$23.1 million for the year ended 31 December 2023 to approximately HK\$18.9 million for the Reporting Period. The decrease was mainly driven by the decrease in employee benefit expenses by approximately HK\$2.5 million.

#### Finance expenses, net

Net finance expenses of the Group mainly comprised interest on borrowings, interest expenses on finance leases liabilities and bank interest income. The Group's net finance expenses decreased by approximately 19.1% from approximately HK\$6.8 million for the year ended 31 December 2023 to approximately HK\$5.5 million for the Reporting Period which was mainly due to the decrease in interest on bank borrowings.

#### Income tax credit

The Group is subject to income tax on an enterprise basis, based on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. During the years ended 31 December 2024 and 2023, PRC Enterprise Income Tax has been provided at the rate of 25.0%. Pursuant to the enactment of two-tiered profit tax rates issued by the IRD of Hong Kong from the year of assessment 2018/19 onwards, the Group's first HK\$2 million of assessable profits under Hong Kong profits tax for the Reporting Period is subject to a tax rate of 8.25%. The subsidiary incorporated and operating in Macau is subject to Macau complementary tax under which the estimated assessable profits of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the years ended 31 December 2024 and 2023.

#### Profit/(Loss) for the year

As a result of the foregoing, the Group's profit attributable to owners of the Company amounted to approximately HK\$1.8 million for the Reporting Period, representing an increase of approximately HK\$14.2 million as compared with loss attributable to owners of the Company of approximately HK\$12.4 million for the year ended 31 December 2023.

#### Liquidity and Financial Resources

The Group financed its operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 31 December 2024, the Group had net current liabilities of approximately HK\$13.7 million (2023: HK\$10.9 million). Included in current liabilities were bank borrowings of approximately HK\$46.1 million (2023: HK\$76.1 million) which are due for repayment within one year or were repayable on demand.

As at 31 December 2024, the Group's current ratio was approximately 0.9 (2023: 0.9) and the Group's gearing ratio calculated based on the total debt (including borrowings and lease liabilities) at the end of the year divided by total equity at the end of the year was approximately 112.9% (2023: 187.4%). The decrease of the Group's gearing ratio was mainly due to the decrease in borrowings and lease liabilities.

As at 31 December 2024, the amount of total available banking facilities (including unutilised and utilised amount) of the Group was approximately HK\$76.1 million (2023: HK\$102.1 million).

The bank borrowings were denominated in Hong Kong dollars and Renminbi, and secured by total pledged time deposit of approximately HK\$36.0 million (2023: HK\$61.0 million) and the Company's corporate guarantee. The bank borrowings carried floating rates at the Hong Kong Interbank Offered Rate and the China Foreign Exchange Trade System plus or less a margin per annum. The weighted effective interest rate on these bank borrowings was 6.5% per annum (2023: 8.7% per annum).

On 27 December 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with a third party with a principal amount of HK\$38.0 million, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. As at 23 December 2022, the subsidiary entered into a supplemental loan agreement with the third party to extend the maturity date from 27 December 2023 to 27 December 2028. As at 31 December 2024, the outstanding loan amount was HK\$15.0 million (2023: HK\$15.0 million).

On 25 December 2023, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with an executive director, Mr. Wong Man Por, with a principal amount of approximately HK\$2.7 million, which is unsecured, bears fixed interest rate of 5% per annum and is fully repayable on 31 December 2025. As at 23 December 2024, the subsidiary entered into a supplemental loan agreement with the director to extend the maturity date from 31 December 2025 to 31 December 2028.

#### **Capital Structure**

Since the listing of the shares of the Company on the Stock Exchange, there has been no change in the capital structure of the Group. As at 31 December 2024, the capital structure of the Group consisted of (i) equity attributable to owners of the Company of approximately HK\$58.4 million (2023: HK\$58.4 million), comprising issued share capital and reserves; and (ii) debts which comprised borrowings as disclosed above.

#### **Pledge of Assets**

As at 31 December 2024, an amount of approximately HK\$36.0 million (2023: HK\$61.0 million) of pledged time deposits was pledged to banks to secure certain bank facilities granted to the Group.

#### Significant Investments, Material Acquisitions and Disposals

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Reporting Period (2023: Nil).

#### **Contingent Liabilities**

As at 31 December 2024, the Group has no material contingent liabilities (2023: Nil).

#### **Exposure to Fluctuations in Exchange Rates**

The Group's revenue and costs are primarily denominated in Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. During the Reporting Period, the Group did not use any financial instruments for hedging purposes.

#### **Treasury Policies**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

#### **Employees and Remuneration Policies**

As at 31 December 2024, the Group employed a total of 135 employees (2023: 152 employees) based in Hong Kong, Macau and the PRC. Employee costs (including the Directors' remuneration, wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans) amounted to approximately HK\$48.5 million for the Reporting Period (2023: HK\$53.1 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and their performance.

#### **Share Option Scheme**

The Company has adopted a share option scheme on 1 December 2017 (the "**Share Option Scheme**"). The summary of the principal terms of the Share Option Scheme is set out in paragraph headed "Share Option Scheme" under Report of the Directors in this annual report and are in accordance with the provisions of the amended Chapter 23 of the GEM Listing Rules. The main 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 and service providers of the Group, and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 December 2024.

#### Dividend

The Board has resolved not to recommend a final dividend for the Reporting Period (2023: Nil).

# **BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**

#### **EXECUTIVE DIRECTORS**

**Mr. Wong Man Por** (黃文波), aged 67, is the chairman of the Board, chief executive officer, the executive Director and the chairman of the Nomination Committee of the Company. He was first appointed as a Director on 23 February 2017 and was redesignated as an executive Director on 5 December 2017. With effect from 30 September 2021, Mr. MP Wong was re-designated as the chief executive officer following the resignation of the former chief executive officer. Mr. MP Wong is the founder of the Group and his main responsibilities are to formulate our strategic vision, direction and goals and to monitor, evaluate and develop the business of the Group.

Mr. MP Wong attended secondary school education in Hong Kong. He established AV Promotions Limited ("**AVP**") with his spouse, Mrs. Wong, in 1991 and has been the director of AVP since then. Mr. MP Wong started his career in the visual, lighting and audio solutions industry as a frontline technician and has accumulated extensive knowledge in the field of audio-visual services industry. He has expertise in audio-visual consultation, design, integration and installation of audio-visual solution. In the past 30 years, he has led the Group from a small-scale start-up audio-visual solutions company in Hong Kong and to the presently reputable audio-visual solutions company that renders audio-visual and lighting advice and support in concerts, award ceremonies, exhibitions, conventions and various forms of corporate events in Hong Kong, the PRC and Macau.

Mr. MP Wong is the brother of Mr. CB Wong, who is also the executive Director of the Company, and is the father of Mr. HH Wong, who is the Deputy Marketing Director of the Group.

**Mr. Wong Chi Bor** (黄志波), aged 57, is the executive Director and a member of the Remuneration Committee of the Company. He was first appointed as a Director on 23 February 2017 and was redesignated as an executive Director on 5 December 2017. Mr. CB Wong attended secondary school education in Hong Kong. He joined the Group as a technical director in 1991. Mr. CB Wong is responsible for the design and provision of the audio-visual services which are specifically tailored-made for our customers. He is also responsible for providing technical advice and supervision to the technical staff members of the Group. After he joined the Group, Mr. CB Wong has led the Group to provide services to major projects, including beauty competitions, concerts, award ceremonies and international congresses. He has over 25 years of experience in this industry.

Mr. CB Wong is the brother of Mr. MP Wong, who is also the executive Director of the Company, and is the uncle of Mr. HH Wong, who is the Deputy Marketing Director of the Group.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Leung Wai Cheung** (梁偉祥), aged 60, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Dr. Leung was appointed to the Board on 30 November 2021. Dr. Leung has more than 30 years of experience in financial reporting and financial management. He was the company secretary and financial controller from 2000 to 2011, and an executive director from 2000 to 2003 in FlexSystem Holdings Limited (currently known as Quantum Thinking Limited) (stock code: 8050), the issued shares of which are listed on the Stock Exchange. He was also the financial controller of Fortune Realty Company Limited from 1996 to 2000, the accounting manager of Wang On Group Limited (stock code: 1222), the issued shares of which are listed on the Stock Exchange, from 1993 to 1996 and the assistant accountant of Eton Management Limited from 1987 to 1992. He was also an executive director of Bamboos Health Care Holdings Limited (stock code: 2293), the issued shares of which are listed on the Stock Exchange, in 2021. He is currently the chief financial officer of HM International Holdings Limited (stock code: 8416), the issued shares of which are listed on the Stock Exchange, in 2021. He is currently the chief financial officer of HM International Holdings Limited (stock code: 8416), the issued shares of which are listed on the Stock Exchange, in 2021. He is currently the chief financial officer of HM International Holdings Limited (stock code: 8416), the issued shares of which are listed on the Stock Exchange, in 2021. He is currently the chief financial officer of HM International Holdings Limited (stock code: 8416), the issued shares of which are listed on the Stock Exchange. He is an adjunct lecturer at the University of Hong Kong School of Professional and Continuing Education since 2003.

Dr. Leung obtained a Bachelor's degree of Commerce in accounting from the Curtin University of Technology in 1995 and subsequently obtained a Postgraduate Diploma in Corporate Administration in 1998, a Master degree in Professional Accounting from The Hong Kong Polytechnic University in 1999, a Doctor degree of Philosophy in Management from the Empresarial University in 2004, a Doctor degree of Educational Management from the Bulacan State University in 2008, a Doctor degree of Business Administration from European University in 2015, a Doctor degree of Philosophy in Forensic Accounting and Auditing from Charisma University in 2020, a Master of Law in International and Commercial Law from University of Greenwich in 2021 and a Msc Finance and Strategy from Manchester Metropolitan University in 2023.

Dr. Leung has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1993, CPA Australia since 1996, the Chartered Governance Institute in the United Kingdom since 1997, the Hong Kong Chartered Governance Institute since 1997, the Taxation Institute of Hong Kong since 1998 and the Chartered Professional Accountants of British Columbia, Canada since 2017. He has also been a fellow member of the Association of Chartered Certified Accountants since 1998 and the Institute of Chartered Accountants in England and Wales since 2017.

**Mr. Chan Wing Kee** (陳榮基), aged 66, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. Chan was appointed to the Board on 1 December 2017. Mr. Chan has over 30 years of experience in the exhibition industry. From November 1991 to July 1996, he was the director of operations (Asia Pacific) of Reed Exhibitions Pte Ltd. From August 1996 to June 2005, he was the director of operations of Hong Kong Convention and Exhibition Centre. From November 2006 to November 2007, he was the executive director (Event Management) of Venetian Macau Resort Hotel. From January 2008 to January 2009, he was the Director of Venues (Asia) of Live Nation (HK) Limited. From June 2009 to June 2015, he was the general manager of Guangzhou Nan Fung Exhibition Co., Ltd. From November 2015 to December 2022, Mr. Chan was the general manager of Zhengzhou International Convention and Exhibition Centre.

Mr. Chan obtained a Master Degree in Business Administration (MBA) from the University of Western Ontario, Canada in October 2000.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

**Ms. Soon Yuk Tai (孫玉蒂)**, aged 58, is an independent non-executive Director and a member of the Audit Committee and Nomination Committee of the Company. Ms. Soon was appointed to the Board on 31 December 2024. Ms. Soon has more than 35 years of experience in corporate secretarial, corporate governance and regulatory compliance practices. She is currently a director of a private company in Hong Kong that provides corporate advisory and secretarial services for both listed and private companies.

Ms. Soon served as the company secretary of Bamboos Health Care Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 2293) since March 2022.

Ms. Soon is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Soon obtained a Diploma (Honours) in Company Secretaryship and Administration from Lingnan University in 1988.

#### SENIOR MANAGEMENT

**Ms. Yau Lai Ling** (邱麗玲), aged 58, joined the Group as accounting clerk in July 1991 and became the general manager of the Group since 2001. She is responsible for overseeing the personnel and administrative matters. She is also responsible for the operation of our audio-visual equipment rental and coordinating with our clients on the provision of audio-visual solution services.

She obtained a Higher Diploma in Business Management from the Hong Kong Productivity Council in 1997.

**Ms. Kwong Yuk Ying** (鄭玉瑩), aged 38, is the chief financial officer of the Group and the company secretary of the Company. She joined the Group in December 2020 and is responsible for overseeing the financial reporting and financial planning of the Group.

Ms. Kwong was admitted as a member of the Hong Kong Institute of Certified Public Accountants in March 2013. She graduated from the City University of Hong Kong with a degree of Bachelor of Business Administration (Honours) in Accountancy.

Ms. Kwong has over 15 years of experience in auditing, finance and accounting. Prior to joining the Group, she had worked at the assurance division of BDO Limited and PricewaterhouseCoopers, and was the financial controller of Bamboos Health Care Holdings Limited (stock code: 2293). Since January 2023, she has been an independent non-executive director of ETS Group Limited (stock code: 8031), the issued shares of which are listed on the Stock Exchange.

**Mr. Wong Hin Hang (黃顯珩) ("Mr. HH Wong")**, aged 27, is the Deputy Marketing Director of the Group. He has over 5 years of experience in the industry. He joined the Group in 2022 and is responsible for assisting the chief executive officer for overseeing and monitoring the daily operation of our subsidiary in Shanghai. He is also responsible for the implementation of our marketing strategies and the development of our markets in the PRC. He also works on internal marketing strategy planning for future development of the Group.

Mr. HH Wong graduated from University of California, Riverside with a Bachelor of Arts degree in Sociology in 2022.

Mr. HH Wong is the son of Mr. MP Wong and nephew of Mr. CB Wong, who are the executive Directors of the Company.

#### **COMPANY SECRETARY**

**Ms. Kwong Yuk Ying (**鄭玉瑩) ("**Ms. Kwong**") is the company secretary of our Group since 16 February 2022, and is mainly responsible for the company secretarial and related matters of our group.

For details of Ms. Kwong's background, please refer to the description about her as the Group's chief financial officer in the paragraph headed "Senior Management" under this section above.

Some English names of Chinese laws and regulations, government authorities, departments, entities, institutions, natural persons, facilities, certificates, titles and the like for which no official English translation exists have been unofficially translated for identification purposes only. In the event of any inconsistency, the Chinese name will prevail.

# **CORPORATE GOVERNANCE REPORT**

#### INTRODUCTION

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present the corporate governance report of the Company for the Reporting Period (the "**Reporting Period**").

Since the Listing, the Board has recognised that transparency and accountability are important to the Company as a listed issuer. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures.

The Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the Shareholders and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders.

#### **CORPORATE GOVERNANCE PRACTICE**

The Board is responsible for performing the corporate governance duties stipulated in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company's policies and practices on corporate governance, training and providing continuous professional development of Directors, and reviewing the Company's compliance with the principles and applicable code provisions in the CG Code and disclosures in this annual report.

During the Reporting Period and up to the date of this annual report, the Company has complied with the code provisions of the CG Code, except for the deviations of paragraph C.2.1 of Part 2 of the CG Code, which is explained in the paragraph below.

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Man Por is currently the chairman and the chief executive officer of the Company. Mr. MP Wong was re-designated as the chief executive officer with effect from 30 September 2021 following the resignation of the former chief executive officer. The Board is of the view that the vesting of the roles of chairman and chief executive officer in Mr. MP Wong is beneficial to the business operations and management of the Group as it would provide a strong leadership to the Group, considering that Mr. MP Wong has been managing the Group's business and formulation of the Group's strategic vision, direction and goals, as well as monitoring, evaluating and developing the Group's business since the Group's establishment. In allowing the two roles to be vested in the same person, the Board believes that both positions require in-depth knowledge and considerable experience of the Group's business and Mr. MP Wong is the most suitable person to occupy both positions for effective management of the Group following the resignation of the former chief executive officer. Therefore, the Board considers that the deviation from provision C.2.1 of Part 2 of the CG Code is appropriate in the circumstance.

#### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the "**Code of Conduct**"). After specific enquiries by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period and up to the date of this annual report.

#### **BOARD OF DIRECTORS**

The key responsibilities of the Board include formulation of the Group's overall strategies, the setting of management targets and supervision of management performance. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. In addition, the Board has also delegated various responsibilities to the Board committees of the Company. Further details of the Board committees are set out below in this corporate governance report.

The Board is entrusted with the overall responsibility to promote the success of the Company, and it is responsible for the direction and supervision of the Group's business and affairs, and the ultimate responsibility for day to day management of the Group which is delegated to the management. To this end, financial and operational information are provided to the Board for assessing the performance of the Group. For significant matters that are specifically delegated by the Board, the management must report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The management is responsible for the day-to-day management and operation of the Group and providing the Board with updates in a timely manner, giving an assessment of the Group's performance and position to enable the Board to discharge its duties.

The Board is responsible for, among others, performing the corporate governance duties, which include:

- (a) to develop and review the Group's policies and practices on corporate governance and make recommendations;
- (b) to review and monitor training and to provide continuous professional development of the Directors and senior management members;
- (c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the Code of Conduct and its compliance manuals (if any) applicable to the Group's Directors and employees; and
- (e) to review the Group's compliance with the CG Code and its disclosure in the corporate governance report.

The Company has taken out director and officer liability insurance to cover liabilities arising from legal action against the Directors.

#### **BOARD COMPOSITION**

During the Reporting Period and up to the date of this annual report, the Board comprised the following Directors and their respective roles are set out as follows:

#### **Executive Directors**

Mr. Wong Man Por ("**Mr. MP Wong**") (*Chairman and Chief Executive Officer*) Mr. Wong Hon Po ("**Mr. HP Wong**") (resigned with effect from 1 March 2024) Mr. Wong Chi Bor ("**Mr. CB Wong**")

#### Independent non-executive Directors

Dr. Leung Wai Cheung Mr. Cheung Wai Lun Jacky (resigned with effect from 31 December 2024) Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)

With the various experience of the executive Directors and independent non-executive Directors (the "INEDs") and having regard to the nature of the Group's business, the Company recognises the benefits of having a Board with wellbalanced experience and qualifications to maintain a sustainable business development of the Group in the long run. In recognition of the Company's commitment to a well-balanced Board, the nomination committee is entrusted to review the Company's human resources policy and recruitment process to ensure the effectiveness of such policy.

The details of Directors and relationship between the board members are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

#### Number of Meetings and Directors' Attendance

The Board has established three committees, namely, the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"), with delegated powers for overseeing particular aspects of the Company's affairs. Each of the committees of the Company has been established with written terms of reference. All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

The Board should conduct at least four regular meetings a year. The Directors can attend meetings in person or through electronic means of communication in accordance with the Company's articles of association (the "Articles"). Provision C.5.3 of Part 2 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are required to be given. An agenda and accompanying board papers are sent to all Directors at least three days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All the Directors are given an opportunity to include matters in the agenda for regular Board meetings.

During the Reporting Period, the Company held five Board meetings, five Audit Committee meetings, two Remuneration Committee meetings and three Nomination Committee meetings. All the minutes of the Board meetings and meetings of Board committee were recorded in sufficient details for the matters considered by the Board and the decisions reached. Details of the attendance of the Directors are as follows:

		Attenda			
Name of Directors	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	General meeting
<i>Executive Directors:</i> Mr. Wong Man Por Mr. Wong Hon Po (resigned with effect from	5/5	-	-	3/3	1/1
1 March 2024)	5/5	-	0/2	_	1/1
Mr. Wong Chi Bor	5/5	-	-	-	1/1

		Attenda	ance/Number of me	eetings	
Name of Directors	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	General meeting
Independent non-executive Directors:					
Dr. Leung Wai Cheung Mr. Cheung Wai Lun Jacky (resigned with effect from	5/5	5/5	2/2	-	1/1
31 December 2024)	5/5	5/5	-	3/3	1/1
Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)	5/5	5/5	2/2	3/3	1/1

#### Appointment and Re-election of Directors

The Articles provide that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Company has entered into a letter of appointment with each of the INEDs under which each INED is appointed for a fixed term and subject to re-election. The appointment letter of each of the INEDs is for a term of three years commencing from the date of the Listing, which may be terminated by not less than three months' notice in writing served by either party. The aforesaid appointment letters are subject to termination provisions therein and the retirement and re-election provisions in the Articles.

#### Directors' Continuous Training and Professional Development

To assist the Directors' continuing professional development, the Company recommends Directors to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the Reporting Period, all of the Directors have participated in continuous professional development by attending training courses or reading relevant materials on the topics related to corporate governance and regulations. Records of the training received by the respective Directors are kept and updated by the company secretary of the Company.

#### Independent non-executive Directors

In compliance with Rules 5.05(1) and 5.05(2) of the GEM Listing Rules, the Board consisted of three INEDs throughout the Reporting Period, with at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise. During the Reporting Period and up to the date of this annual report, the number of INEDs represents more than one-third of the Board as required under Rule 5.05A of the GEM Listing Rules. As such, there is a strong independence element in the Board to provide independent judgement.

The INEDs are experienced professionals with expertise in respective areas of accounting, finance, legal and industry knowledge. With their professional knowledge and experience, the INEDs serve an important function of advising the Board and senior management on strategy development, and ensure that the Board maintains high standards in financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interests of the Shareholders and the Company as a whole.

The Company has received from each of the INEDs the written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all the INEDs to be independent pursuant to Rule 5.09 of the GEM Listing Rules.

#### **BOARD COMMITTEE**

#### **Audit Committee**

The Company established the Audit Committee in compliance with Appendix C1 to the GEM Listing Rules. As at 31 December 2024 and the date of this annual report, it comprised three INEDs, namely Dr. Leung Wai Cheung, Mr. Chan Wing Kee and Ms. Soon Yuk Tai. Dr. Leung Wai Cheung is the chairman of the Audit Committee. The Company has also established the written terms of reference of the Audit Committee in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and provisions D3.3 and D3.7 of Part 2 of the CG Code.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies of the Group and to perform other duties and responsibilities as assigned by the Board. The full terms of reference setting out details of duties of the Audit Committee is available on both the GEM website of the Stock Exchange and the Company's website.

The Audit Committee was satisfied with its review of the auditors' remuneration, the independence of the Company's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), and recommended the Board to re-appoint HLB as the Company's auditors in the financial year ending 31 December 2025, which is subject to the approval of Shareholders at the forthcoming annual general meeting. The Audit Committee has reviewed the Group's audited consolidated financial statements for the Reporting Period, the effectiveness of the risk management and internal control system of the Group.

According to the current terms of reference, meetings of the Audit Committee shall be held at least four times a year and the external auditor may request a meeting if they consider necessary.

Details of the number of Audit Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

#### **Remuneration Committee**

The Company established the Remuneration Committee in compliance with Appendix C1 to the GEM Listing Rules. As at 31 December 2024, it comprised two INEDs, namely Mr. Chan Wing Kee and Dr. Leung Wai Cheung, and one executive Director, namely Mr. CB Wong. Mr. Chan Wing Kee is the chairman of the Remuneration Committee. With effect from 1 March 2024, Mr. HP Wong resigned and Mr. CB Wong was appointed as a member of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but not limited to): (a) making recommendations to the Directors regarding the policy and structure for the remuneration of all the Directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policies; (b) making recommendations to the Board on the remuneration packages of the Directors and senior management of the Group; and (c) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives. The full terms of reference setting out details of duties of the Remuneration Committee is available on both the GEM website and the Company's website.

The Remuneration Committee determines Directors' remuneration by reference to the benchmark of the market. The Remuneration Committee also looks into each individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

Pursuant to the terms of reference of the Remuneration Committee, meeting shall be held at least once a year.

Details of the number of Remuneration Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

#### Remuneration of executive Directors and Senior Management

The following table sets forth the remuneration of executive Directors and senior management by band for the Reporting Period:

HK\$	Number of Individuals
Nil to HK\$1,000,000	5
HK\$1,000,001 to HK\$2,000,000	1

#### **Remuneration policy**

The remuneration policy of the Group for the Directors and senior management was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and/or other merit payments are linked to the performance of the Group and the individual performance of each of the executive Directors and senior management.

#### Nomination Committee

The Company established the Nomination Committee in compliance with Appendix C1 to the GEM Listing Rules which comprises one executive Director, namely Mr. MP Wong, and two INEDs, namely Mr. Chan Wing Kee and Ms. Soon Yuk Tai. Mr. MP Wong is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include (but not limited to): (a) reviewing the structure, size and composition of the Board at least annually; (b) identifying individuals suitably qualified to become Board members; (c) assessing the independence of independent non-executive Directors; and (d) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The full terms of reference setting out details of the authority, duties and responsibilities of the Nomination Committee is available on both the GEM website and the Company's website.

Pursuant to the terms of reference of the Nomination Committee, meeting shall be held at least once a year.

The Nomination Committee has reviewed the structure, size and composition of the Board and the Board diversity policy as well as discussed matters regarding the retirement and re-election of Directors.

Details of the number of Nomination Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

#### Directors' and auditors' responsibilities for the consolidated financial statements

All Directors understand and acknowledge their responsibility for preparing the Group's consolidated financial statements for each financial year that give a true and fair view of the state of affairs, the financial results and cash flows of the Group in accordance with the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the applicable financial reporting standards and the GEM Listing Rules. In preparing the consolidated financial statements for the Reporting Period, the Board has adopted appropriate and consistent accounting policies and made fair and reasonable judgments and estimates. The Directors are responsible for maintaining proper accounting records which reflect with reasonable accuracy the state of affairs, operating results, cash flows and equity movement of the Group at any time. The Directors confirm that the consolidated financial statements of the Group for the Reporting Period are prepared in accordance with statutory and regulatory requirements and applicable financial reporting standards.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately HK\$13,740,000. These conditions indicated the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern. For further details, please refer to note 2.1.1 to the consolidated financial statements in this annual report.

The statement by the auditors of the Group regarding their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report in this annual report.

#### Auditors' remuneration

During the Reporting Period, the remuneration for the audit and non-audit services provided by HLB to the Group was as follows:

Services rendered	HK\$'000
Audit services	700
Non-audit services	-
Total	700

#### **DIVIDEND POLICY**

The dividend policy of the Company is to distribute to the Shareholders the funds surplus to the operating needs, current and future business development of the Group as determined by the Board. The Company may declare and pay dividends to the Shareholders subject to the criteria as set out below.

In accordance with the Articles and subject to the relevant laws of the Cayman Islands, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the relevant laws under the Cayman Islands.

Subject to compliance with applicable laws, rule, regulations and the Articles, in deciding whether to propose a dividend payout, the Board will take into account, among other things, the financial results, the earnings, losses and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effect on the credit lines, the capital requirements, the current and future development plans of the Group, the interests of the Shareholders, dividends received from the Company's subsidiaries and associate companies, and other factors that the Board considers relevant.

The Board will review the dividend policy from time to time and reserve its sole and absolute right to update, amend, modify and/or cancel the dividend policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

#### NOMINATION POLICY

#### 1. Objective

The Nomination Committee shall 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.

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholder for election as Director at general meetings or appoint him/her to fill casual vacancies.

The Nomination Policy helps the Nomination Committee and the Board ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

#### 2. Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) Reputation for integrity;
- (2) Commitment in respect of available time and relevant interest; and
- (3) Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and duration of service.

These factors are for reference only and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

#### 3. Nomination Procedures

#### 3.1 Appointment of Directors

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy of the Company, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy will be subject to re-election by Shareholders at the first general meeting after his/her appointment, and individual(s) appointed by the Board as an addition to the Board will be subject to re-election by Shareholders at the next annual general meeting, in accordance with the Company's articles of association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

#### 3.2 Re-appointment of Directors

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy of the Company, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.
- *3.3* The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

#### 4. Review of the Nomination Policy

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

#### **BOARD DIVERSITY POLICY**

The Company has adopted a Board Diversity Policy in accordance with the requirement as set out in the CG Code, which is summarised below.

The Board Diversity Policy of the Company specifies that in designing the composition of the Board, board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board members' appointment will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity of the Board. Selection of candidates for the Board will be based on a range of diversity perspectives, including but not limited to gender, age, culture, ethnicity and educational background, professional experience, knowledge and skills.

The Company discloses the composition of the Board in corporate governance report every year and the Nomination Committee oversees the implementation of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

#### GENDER DIVERSITY

The Board currently has one female Director out of five Directors, and is committed to improving gender diversity as and when suitable candidates are identified. The Company is of the view that gender diversity in respect of the Board has been achieved.

Among all employees of the Group, male employees account for 77.8% and female employees account for 22.2%. The Group believes that the gender ratio of employees is within the reasonable range in the audio-visual industry.

#### SHAREHOLDERS' RIGHTS

#### (a) Convening an extraordinary general meeting on requisition by shareholders

Pursuant to the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. 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 shall be reimbursed to the requisitionist(s) by the Company. Shareholders also have the right to propose a person for election as a Director, the procedures of which are available on the websites of the Company and the Stock Exchange.

#### (b) Procedures for putting forward proposals at shareholders' meetings

Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at shareholders' meetings. The proposals shall be sent to the company secretary of the Company by a written requisition. Shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in the paragraph headed "Convening an extraordinary general meeting on requisition by shareholders" above.

#### (c) Enquiries to the Board

Shareholders may put forward enquiries to the Board, to the extent such information is publicly available, to the Company Secretary (who is responsible for forwarding communications relating to matters within the Board's preview to the executive Directors of the Company), communications relating to matters within a Board committee's area of responsibility to the chairman of the appropriate committee, and communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the appropriate management of the Company, in writing to the principal place of business of the Company in Hong Kong.

#### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is key to enhancing investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and the public. The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and its Shareholders. The Board, appropriate senior management and the external auditor will attend the general meetings to answer the Shareholders' questions. In addition, the Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company (www.avpromotions.com) has provided an effective communication platform to its Shareholders and the public.

Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, serves the Shareholders in respect of share registration, dividend payments and related matters.

#### **CONSTITUTIONAL DOCUMENTS**

For the Reporting Period, there had been no significant change in the Group's constitutional documents.

#### **COMPANY SECRETARY**

Ms. Kwong Yuk Ying, the company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the company secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the company secretary is responsible for facilitating communications among Directors as well as with senior management.

During the Reporting Period and up to the date of this annual report, Ms. Kwong has undertaken more than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

#### **COMPLIANCE OFFICER**

Mr. Wong Man Por, an executive Director, is the compliance officer of the Company. Please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report for details of his biographical information.

#### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute assurance against misstatement or loss.

The Board oversees the overall risk management and internal control system of the Group on an ongoing basis and endeavors to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems compatible with the Commissioner of Sponsoring Organization of the Treadway Commission (COSO) – Integrated Framework 2013 principles are designed to manage, rather than to eliminate, the risk of failures to achieve business objectives and provide only reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy setting out the process of identification, evaluation and management of the principal risks affecting the business of the Group:

- 1. Each division has the responsibility of identifying, assessing, and managing risks specific to its own functions and operations. Quarterly assessments are conducted to identify and evaluate the primary risks, along with the development and implementation of mitigation plans to effectively manage the identified risks.
- 2. The management is responsible for supervising the risk management and internal control activities of the Group. Quarterly meetings are conducted within each division to ensure proper management of principal risks, and to identify and document any new or emerging risks.
- 3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls.

The risk management framework, coupled with our internal controls, ensures that the risk associated with our various business units are effectively managed in alignment with the Group's appetite.

The Company does not have an internal audit department but we have engaged an independent internal control consultant, Premier Advisory Services Limited, to undertake a review of the Group's internal control system during the Reporting Period. The review covers specific procedures and the implementation of the Group's risk management policies, along with providing recommendations to enhance and strengthen the internal control system. No significant concerns that could adversely affect the Group's financial, operational, compliance, controls, and risk management were identified. In addition, a follow-up review was carried out subsequent to the Company's implementation of the recommended remedial measures after.

The Group's risk management and internal control systems are designed to effectively manage the risks associated with meting business objectives, rather than eliminating them entirely. It is important to note that these systems can provide reasonable, but not absolute, assurance against material misstatement or loss. The Board is ultimately responsible for maintaining the adequacy of resources, staff qualifications and experience, training programs, and budgets pertaining to the accounting and financial reporting functions. Further, the Board has determined that the Group's risk management and internal control system is in place and effective.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligations of in relation to inside information.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

#### **ABOUT THIS REPORT**

AV Promotions Holdings Limited (the "**Company**"), together with its subsidiaries (together referred to as the "**Group**", "we" or "us") (Stock code: 8419) are pleased to present its efforts on environmental, social and governance ("**ESG**") to the shareholders of the Company (the "**Shareholders**").

Pursuant to the "Environmental, Social and Governance Reporting Code" ("ESG Code") set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"), this report incorporates the general standard disclosures and Key Performance Indicators ("KPIs") as set out by the "Comply or Explain" provisions of the ESG Code.

This report describes the Company's policies that were designed to fulfill the Company's obligations with respect to sustainable development and social responsibilities areas. The board of directors ( the "**Board**") of the Company, who are ultimately responsible for leading the Group's ESG works by overseeing the management in the design, implementation and monitoring of the risk management and internal control systems to cope with environmental challenges. This Report is prepared by the Group with the professional assistance of Premier Advisory Services Limited.

#### **REPORTING PERIOD**

This report outlines the ESG performance and approach of the Group, as well as the Group's significant environmental and social impact during the period spanning from 1 January 2024 to 31 December 2024 (the "**Reporting Period**").

#### **REPORTING SCOPE AND BOUNDARY**

Based on a prudent analysis of the business operations in the fiscal year 2024, the scope of the ESG report shall be determined. This ESG report (the "**Report**") presents an annual update on the Group's business activities providing visual, lighting, and audio services. This report calculates environmental key performance indicators, including the Group's operations in the People's Republic of China (the "**PRC**"), Hong Kong, and Macau.

#### **REPORTING BASIS AND PRINCIPLES**

Based on the guidelines set out in the ESG Code, this report follows four reporting principles – materiality, quantitative, balance and consistency.

#### "Materiality" Principle:

The Group determines material ESG issues by stakeholder engagement and materiality assessment. This process ensures that the ESG topics covered are relevant and significant to the Group's operations, stakeholders, and long-term sustainability. The Board bears the ultimate responsibility for the results of the materiality assessment.

#### "Quantitative" Principle:

Information is presented with quantitative measures, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data. Quantifiable information enables stakeholders to better understand the Group's ESG performance and trends over time.

#### "Balance" Principle:

The Report provides comprehensive disclosures of the Group's ESG performance based on objective facts. Both achievements and challenges of the Group are identified in the Report.

#### "Consistency" Principle:

The Report uses consistent methodologies for meaningful comparisons unless improvements in methodology are identified.

#### **REVIEW AND APPROVAL**

The information in this ESG Report is derived from the Group's official documents and statistical data, as well as the integration and summary of monitoring, management and operational information provided by major subsidiaries of the Group. The Board acknowledges its responsibility to ensure the accuracy and completeness of the ESG Report. To the best of their knowledge, the Report has addressed all material issues and provides a fair representation of the Group's ESG performance in 2024.

#### FEEDBACK

The Report is available in the "Financial Statements/Environmental, Social and Governance Information" category of the SEHK website or on the Group's website. We welcome readers to provide feedback on this ESG Report for any sustainability initiatives. Please share your views with us through email ir@avpromotions.com.hk. Your comments will be conducive to us refining this report further and enhancing the Group's ESG performance.

#### **BOARD STATEMENT**

We are deeply aware that the growing expectations of stakeholders for corporate responsibility are an essential driving force for the sustainable development of enterprises. Therefore, the Group has always been committed to integrating the concept of sustainable development into its daily business operations. We operate in a responsible manner, pursuing value maximization while paying attention to incorporating environmental and social factors into management considerations and creating value for stakeholders and society.

In the future development, the Board will continue to attach great importance to ESG work, supervise the management to continuously improve the sustainable development strategy and measures, and ensure the Group actively fulfills its social responsibilities while achieving business goals. We believe that through continuous efforts, the Group can move forward steadily on the path of sustainable development and achieve a win-win situation for economic, environmental and social benefits.

#### **ESG GOVERNANCE**

To enhance transparency and accountability, our Group has instituted an ESG committee. This committee operates under well-defined terms of reference, clearly outlining the power delegated to it by the Board. In line with the recommendations from TCFD for a clear governance structure, the composition and responsibilities of the ESG committee are designed to ensure effective oversight of ESG-related matters, especially those related to climate-related risks and opportunities.

The ESG committee annually reviews the risk management strategies related to different ESG issues. During the Reporting Period, the ESG committee comprised Executive Directors, General Manager, and Chief Financial Officer.

#### STAKEHOLDER ENGAGEMENT

Our Group is acutely aware that the success of our business hinges on the support of key stakeholders. They can primarily be categorized into three groups: (i) investors who provide the capital essential for the Group's development; (ii) decision influencers who shape the Group's strategic direction; (iii) the affected groups whose attitudes mirror the Group's market reputation.

Maintaining close ties with stakeholders enables us to gain a comprehensive understanding of market risks and opportunities. Under the new ESG regulations and the requirements of SEHK, building an efficient communication bridge is crucial for maintaining good relationships.

Based on the Group's positioning, responsibilities, and strategies, we regularly prioritize stakeholders and focus on indepth communication with those of high priority. Adopting an open and cooperative attitude, we establish a mutually beneficial model. When formulating business plans, we extensively seek opinions to jointly promote sustainable development in the market, workplace, community, and environment.

Stakeholders	Engagement Channels	Expectations		
Government	<ul> <li>Regular meetings</li> <li>Official correspondence</li> <li>Participation in regulatory seminars and workshops</li> </ul>	<ul> <li>Compliance with laws and regulations</li> <li>Contribution to local economic development</li> <li>Environmental protection measures implementation</li> </ul>		
Shareholders	<ul> <li>Annual and interim reports</li> <li>Annual general meetings</li> <li>Corporate website</li> <li>Direct communication</li> </ul>	<ul> <li>Getting returns on investment</li> <li>Long-term sustainable growth</li> <li>Transparency of financial and ESG performance</li> </ul>		

Currently, we have identified the key stakeholders and established diverse and efficient communication networks:

Stakeholders	Engagement Channels	Expectations		
Employees	<ul> <li>Staff meetings</li> <li>Internal communication platforms</li> <li>Performance appraisals</li> <li>Employee satisfaction surveys</li> </ul>	<ul> <li>Fair compensation and benefits</li> <li>Career development opportunities</li> <li>Safety and healthy working environment</li> <li>Protecting the legal rights and interests of employees</li> </ul>		
Customers	<ul> <li>Feedback forms</li> <li>Online reviews and social media interactions</li> </ul>	<ul> <li>High-quality products and services</li> <li>Reliable delivery</li> <li>Environmentally friendly production processes</li> <li>Information security</li> </ul>		
Suppliers/subcontractors	<ul><li>Regular business meetings</li><li>Performance assessment</li><li>Phone calls</li></ul>	<ul> <li>Stable business cooperation</li> <li>Timely payment</li> <li>Fair business terms</li> <li>Joint efforts in sustainable development</li> </ul>		
General public	<ul> <li>Corporate website</li> <li>Public announcement</li> <li>Community events</li> <li>Online interaction platforms</li> </ul>	<ul> <li>Positive social impact</li> <li>Corporate citizenship</li> <li>Community contribution</li> <li>Fair employment opportunities</li> </ul>		

In the future, the Group will continuously optimize the communication mechanism, enhance the satisfaction of all parties in compliance with regulations, and jointly draw a blueprint for sustainable development.

#### MATERIALITY ASSESSMENT

To gain a thorough understanding of the diverse expectations and viewpoints of various stakeholders regarding ESG matters, the Group undertakes an annual materiality assessment involving both internal and external stakeholders. This assessment is a crucial step in pinpointing, evaluating, and effectively managing ESG issues that wield substantial influence over the Company's operations and long-term sustainable development. The Group adheres to the following systematic process for assessing, prioritizing, and managing key ESG-related issues:

#### **Step 1: Identification**

The Group adheres to the "Environmental, Social and Governance Reporting Code" of the SEHK as a base. It also looks at international standards like SASB ("Sustainability Accounting Standards Board") and the TCFD ("Task Force on Climate-related Financial Disclosures") to spot key ESG issues. Moreover, by studying its traits and comparing it with industry leaders' ESG efforts, the Group pinpoints the following ESG issues with competitive potential:

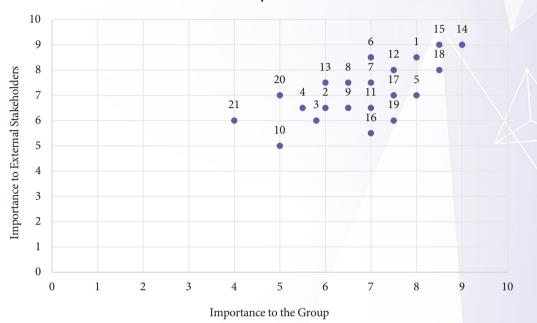
Environment	1. 2. 3. 4. 5.	Climate Change Carbon Emissions Resource Utilization Efficiency Pollution and Waste Management Technological Innovation
	5.	
Employment	6.	Employee Rights and Interest Protection
	7.	Employee Development and Training
	8.	Occupational Safety and Health
	9.	Employee Participation and Communication
	10.	Child and Forced Labour
Corporate Governance	11.	Anti-corruption and Anti-fraud
Supply Chain Management	12.	Green Procurement and Transportation
	13.	Transparency and Information Disclosure of the Supply Chain
Project and Service Responsibility	14.	Data Security and Privacy
	15.	Product/Service Quality and Safety Management
	16.	Advertising and Promotion
	17.	Compliance of products and services
	18.	Customer Satisfaction and Feedback
	19.	Intellectual Property Protection
Community	20	Conicl Welfano Activities Douticipation
Community	20.	Social Welfare Activities Participation
	21.	Support for Vulnerable Groups

#### **Step 2: Prioritization**

During daily operations, the Group's management team strictly complies with the requirements of the SEHK. It extensively collects feedback from stakeholders through diverse communication channels and pays close attention to their demands.

When determining the priority of various issues, the Group strictly adheres to the double-materiality principle emphasized by the SEHK. It comprehensively weighs the intensity and importance of the demands of different stakeholder groups to determine the priorities of issues. Moreover, the Group takes into account the recommendations of the TCFD, conducts a comprehensive assessment of climate-related risks, attaches importance to climate-related information disclosure, and gives priority to addressing the ESG issues that require key disclosure.

Ultimately, a scientific and reasonable ESG issue priority ranking is determined, providing strong guidance for the Group to carry out ESG work efficiently.



#### **Materiality Assessment**

#### Step 3: Validation

The outcomes of the materiality assessment are presented to the Board for rigorous review and validation. Taking into account the Company's strategic objectives, long-term sustainable development vision, and the critical needs of stakeholders. In this process, the Board closely aligns with the disclosure requirements and decision-making factors specified in the ESG guidelines of the SEHK and the TFCD framework. After in-depth deliberation, the Board makes the final determination on the priority of each issue.

#### ENVIRONMENTAL RESPONSIBILITY

The Group primarily engages in office operations, provision of visual, lighting, and audio solutions. As a result, its business activities have minor impacts on the environment or natural resources. Nonetheless, we firmly believe that our enterprise is responsible for promoting and implementing environmentally sustainable development.

The Group consistently strives to conduct its operations in a manner that is sustainable economically, socially, and environmentally. This approach also involves balancing the interests of our diverse stakeholders and generating a positive influence on society. Moreover, we keep ourselves regularly informed about and strictly comply with the latest environmental protection laws and regulations.

#### A1. EMISSIONS

#### Compliance

The Group strictly complies with environmental laws and regulations, including but not limited to:

The People's Republic of China	Environmental Protection Law
	Atmospheric Pollution Prevention and Control Law
	Noise Pollution Prevention and Control Law
	The Prevention and Control of Environmental Pollution by Solid Wastes
Hans Vans	Air Dollution Control Ondines of (Charter 211 of the Level of Henry Vers)
Hong Kong	Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)
	Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong)
	Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong)
	Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)
Macau	Law No. 2/91/M on Environmental Framework
	Act No. 58/95/M (Article 268 of the Penal Code) Prevents Pollution Offenses
	Law No. 9/2019 and No. 8/2014 on Prevention and Control of Noise Pollution

During the Reporting Period, the Group did not violate any laws and regulations of material significance regarding air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and nonhazardous waste.

#### **Air Pollution Emissions**

Controlling air emissions is crucial for minimizing environmental impacts and safeguarding the health of employees. Given that the Group's operations mainly revolve around office activities, the amount of air pollutant emissions is extremely low. These emissions primarily come from vehicles.

In our daily business operations, we are proactive in devising transportation-management plans to cut down on air pollutant emissions. Key initiatives are as follows:

- In June 2024, a new electric vehicle was purchased to partially replace the use of fossil-fuel vehicles.
- Encouraging employees and clients to use video conferences.
- Enforcing a no-idling policy for vehicles to cut unnecessary pollutant release.
- Promoting public transportation or carpooling whenever practical.
- Conducting regular vehicle maintenance to ensure energy efficiency.

		2024				
Air Pollutants	Unit	Hong Kong	PRC	Total	Total	
Nitrogen oxides (NO <sub>x</sub> )	kg	40.44	1.48	41.92	120.03	
Sulphur oxides (SO <sub>x</sub> )	kg	0.09	0.04	0.13	0.16	
Particulate matter (PM)	kg	1.88	0.11	1.99	5.62	

It can be observed that the air pollutants in 2024 have significantly decreased compared to 2023. This is mainly due to the effective implementation of energy-saving strategies, which have reduced the use of fuel-powered vehicles during the Reporting Period. The Group's original goal was to decrease air pollutant emissions by 5% compared to the 2022 baseline (185.05 kg) in 2025, and this goal has now been achieved. The Group will continue to be committed to reducing air pollutant emissions.

#### Greenhouse Gas ("GHG") Emissions

Greenhouse gas ("GHG") emissions are a key driver of global climate change and have far-reaching impacts on ecosystems, human health, and socioeconomic development. During the Reporting Period, the Company placed great emphasis on the issue of greenhouse gas emissions and conducted comprehensive accounting and strict management of them.

For the Group's GHG emissions, Scope 1 direct emissions primarily stem from the combustion of fossil fuels in mobile sources during business operations. Scope 2 indirect emissions mainly result from the purchased electricity for business operations. The Group acquires electricity from external suppliers who burn fossil fuels and contribute to GHG emissions during power generation that the Group cannot directly control. Scope 3 indirect emissions mainly come from the carbon emissions generated by the Group's business air travel. When travelling, the aircraft emits significant amounts of greenhouse gases, which are part of the broader emissions associated with the Group's business activities. The following were the specific details of GHG emissions during the Reporting Period:

			2023		
GHG Emissions	Unit (CO <sub>2</sub> e)	Hong Kong	PRC	Total	Total
Scope 1	Tonnes	16.00	6.38	22.38	28.17
Scope 2	Tonnes	46.67	40.82	87.49	115.10
Scope 3	Tonnes	1.20	70.86	72.09	65.21
<b>Total GHG Emissions</b>	Tonnes	63.87	118.06	181.96	208.48
GHG Emissions Intensity	Tonnes/Employee	1.25	1.41	1.35	1.38

Throughout the Reporting Period, the Group adhered strictly to every applicable environmental law and regulation. No fines, penalties, investigations, or prosecution were imposed on the Group due to non-compliance with the relevant laws and regulations regarding GHG emissions.

#### Hazardous and Non-hazardous Wastes

Waste management is regarded as a crucial aspect of environmental protection. The Group is acutely aware of the significance of waste reduction. The Group has formulated waste management measures and put them into practice aimed at minimizing both the volume of waste produced and its environmental impact. Given the nature of our business, no hazardous waste was generated or released throughout the Reporting Period during our operational activities.

Non-hazardous waste generated during our operations mainly comes in the form of paper waste produced by daily office activities. Committed to waste reduction, the Group proactively formulates and enforces effective measures, including but not limited to the following:

- Encouraging employees to choose electronic files instead of printed documents whenever possible. When printing is necessary, we recommend double-sided printing to save paper.
- To reduce the use of disposable items, reusable cups and cutlery are made available in office areas.
- Distinct bins are conveniently placed in office areas to ensure the segregation of recyclable and non-recyclable waste.
- Engaging certified recycling companies to be in charge of the collection and disposal of the waste.
- Exploring the development of a waste management system and recycling practices.

During the Reporting Period, the specific details of both hazardous and non-hazardous wastes were as follows:

	2024					
Waste	Unit	Hong Kong	PRC	Total	Total	
Non-hazardous waste generated	Tonnes	0.2	0.8	1.0	2.4	
Non-hazardous waste generated intensity	Tonnes/Employee	0.004	0.010	0.007	0.016	
Hazardous waste generated	Tonnes	_	_	_	-	
Hazardous waste generated intensity	Tonnes/Employee	-	-	-	-	

#### A2. USE OF RESOURCES

The Group firmly regards environmental protection as a core and indispensable element within the framework of a sustainable and responsible business model. In our daily business operations, we place great emphasis on the efficient utilization of resources. We implement a variety of strategies to promote efficient use of resources, covering different aspects of our business processes.

#### **Energy Consumption**

In our endeavor to conserve resources and boost energy efficiency, we proactively embed the concepts of energy conservation and emission reduction into all facets of our business growth and daily operations. To reach these objectives, we carry out a diverse array of energy-saving strategies.

Considering the energy consumption situation, electricity usage constitutes a significant share of the Group's overall energy consumption. The Group has proactively promoted a diverse range of electricity conservation strategies. These strategies are aimed at enhancing energy efficiency and curbing energy consumption. The key strategies implemented by the Group are as follows:

- Upgrading lighting fixtures in offices to LED lights, which use significantly less electricity than traditional bulbs.
- Purchasing relevant equipment with a low energy consumption rating.
- Using automated control systems that can just the power supply to equipment based on usage patterns. For instance, automatically power down non-essential equipment like printers during off-peak hours.
- Setting up an incentive program to encourage employees to contribute to electricity conservation efforts.
- The temperature of air-conditioners is maintained at an energy-efficient level of around 25 degrees Celsius.
- Regularly maintain heating, ventilation, and air-conditioning systems to ensure they run efficiently.

Regarding consumption of passenger cars, we are committed to reducing the energy consumption of fossil fuels in our daily operations by the following measures:

- Giving priority to video conference meetings to reduce travel needs.
- Turning off the engines when the vehicles are parked to minimize idle time.
- Purchasing electric vehicles to replace fuel-powered vehicles partially.
- Regularly inspect and maintain passenger cars to ensure the energy is in optimal working condition.

The Group has set an inclusive total energy consumption reduction target of 5% by 2025 against the 2022 baseline (232.67 MWh). During the Reporting Period, the specific details of energy consumption were as follows:

			2024		2023
Type of Energy	Unit	Hong Kong	PRC	Total	Total
Purchased electricity	MWh	70.72	65.78	136.50	184.16
Petrol	MWh	-	23.26	23.26	27.30
Diesel	MWh	62.27	_	62.27	80.40
Total energy consumption	MWh	132.99	89.04	222.03	291.94
Energy consumption	MWh/Employee	2.61	1.06	1.64	1.93
intensity					

#### Water Consumption

During the Reporting Period, we did not encounter any problems in sourcing water. Considering the nature of the Group's business, although it does not consume a substantial amount of water during business operations, we are still actively exploring ways to minimize water consumption and making every effort to conserve water effectively in all aspects of our business operations, some measures as follows:

- Conducting regular inspections of water pipelines and promptly repairing any detected leaks.
- Organizing training sessions for workers to educate them about water conservation and simple water-saving habits.
- Preventing unnecessary waste of water by implementing relevant policies.
- Using dual-flush toilets in offices.
- Increasing the use of water-efficient products, such as faucets with flow restrictions.

The Group established a water-consumption reduction target of 5% by 2025, using the 2022 water-consumption volume of 1,068.70 m<sup>3</sup> as the baseline, and the Group successfully met this target during the Reporting Period. The Group will continue its commitment to reduce water consumption. The specific details of water consumption were as follows:

		2024				
Water Consumption	Unit	Hong Kong	PRC	Total	Total	
Water Consumption	m <sup>3</sup>	101.58	299.00	400.58	704.00	
Water Consumption	m <sup>3</sup> /Employee	1.99	3.56	2.97	4.66	
Intensity						

In the fiscal year 2024, the consumption of packaging materials by the Group was not substantial. This can be attributed to the inherent characteristics of our operations, which do not heavily rely on extensive packaging. The specific details of the packaging material used were as follows:

Packaging Materials	Unit	2024 Total	2023 Total
Paper	Tonnes	0.02	N/A
Plastic	Tonnes	0.1	N/A
Intensity of packaging material used	Tonnes/Employee	0.0009	N/A

#### A3. THE ENVIRONMENT AND NATURAL RESOURCES

Although the Group believes that its business activities have no significant impact on the environment and natural resources, a deeper analysis reveals that some potential effects cannot be ignored. In terms of energy consumption, although energy-saving equipment has been adopted in the office area, daily office electricity consumption still indirectly relies on fossil fuel power generation, which leads to carbon emissions. The use of paper is also a significant issue. High paper consumption means a reduction in forest resources, and the paper-making process itself consumes a large amount of water and may cause water pollution.

To address these potential impacts, the Group has taken a series of proactive measures. In the office environment, the concept of green offices is vigorously promoted. Employees are encouraged to print double-sided and use reusable office supplies to reduce the use of disposable items. In terms of waste management, a complete classification and recycling system has been established. Waste paper, plastics, and other materials are sorted and collected to improve the resource recycling rate. At the same time, the Group is actively exploring the use of environmentally friendly materials, such as biodegradable office supplies, to reduce the pressure on the environment.

Through these measures, the Group strives to reduce the impact on the environmental and natural resources in its daily operations and practices the concept of sustainable development.

#### A4. CLIMATE CHANGE

The Group is unavoidably confronted with risks originating from climate change. In response, the Group has taken proactive measures to fortify its preparedness and resilience. It has conducted comprehensive assessments to precisely identify climate-related risks that may exert a material impact on its business operations and supply chain. During this Reporting Period, the Group has taken steps to disclose climate-related information, ensuring alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") regarding climate-related financial disclosures.

#### Governance

The Company's governance structure adopts a dedicated approach. An ESG Committee has been established under the Board.

The ESG Committee drives effective governance for integrating and handling ESG issues, especially climate change, across our business. It reviews the Group's operational emissions targets, commissions ESG benchmarking and gap analysis. This helps identify gaps in disclosure and policies against best-practice standards. Furthermore, the ESG Committee collaborates closely with various operational departments across the Group. This collaborative effort aims to formulate consistent and improved strategies for addressing ESG-related risk issues.

With the support of our ESG Committee, the Board regularly monitors climate-related issues and risks during board meetings and guarantees that these are integrated into our corporate strategy.

In order to guarantee that the Board stays current with the most recent trends in climate-related issues, climate competence training is provided. This training is designed to equip the Board with the essential expertise and skills required to supervise the management of climate-related concerns. Moreover, the Board also seeks professional counsel from external experts as needed, allowing for more well-informed and strategic decisions about climate-related matters.

#### Strategy

The Group acknowledges that climate-related issues significantly influence its business operations, strategic initiative, and financial planning across short, medium, and long-term horizons. As a result, the organization has systematically identified both climate-related risks and opportunities it may encounter over varying timeframes. The defined climate risks are evaluated using the assessment framework described in the subsequent section "Risk Management".

During the Reporting Period, material climate-related physical and transition risks that have affected or may affect the Group across five key areas: (i) business operations and services; (ii) supply chain and value chain activities; (iii) climate adaptation and mitigation initiatives; (iv) R&D investments; and (v) financial planning, which are outlined below:

Climate-related risks	Pote	ential financial impacts	Step	es taken to manage the risks
Physical risks – Acute physical risks				
Heightened severity and frequency of extreme weather events, including cyclones and floods, pose material	(i)	Immediate repair and replacement costs.	(i)	Planned to establish a natural disaster emergency plan.
idiosyncratic and systemic risks, leading to potential damage of	(ii)	Business interruption losses.	(ii)	Formulated an action plan that clearly states the goals
critical operational assets such as office equipment, machinery, and	(iii)	Increased insurance premiums.		and targets of reducing GHG emissions and energy
event infrastructure utilized across exhibitions, ceremonies, product launches, concerts and other event formats.	(iv)	Supply chain disruptions.		consumption. This plan details the strategies to reach these objectives and assign specific responsibilities.

Climate-related risks		Pote	ntial financial impacts	Step	s taken to manage the risks
Phys	sical risks – Chronic physical risl	ĸs			
(i)	Increased frequency of extreme weather and rising	(i)	Business interruption losses.	(i)	Strengthen facilities in extreme weather areas.
	sea levels will disrupt	(ii)	Reduced labor productivity.		
	regional communities, harm economic output and business productivity.	(iii)	Increased healthcare and wellness expenses.	(ii)	Develop a long-term plan to reduce energy use through equipment upgrades and employee conservation.
(ii)	Rising temperatures due to	(iv)	Long-term infrastructure		
	climate change pose negative health impacts on the workforce.		investment.	(ii)	Advocate climate-resilience policies with local and national governments.
Trai	nsition risks – Policy and Legal r	isks			
(i)	Nations are ramping up their	(i)	Increased costs for	(i)	Planned to conduct a carbon
	decarbonization strategies with urgency.		procurement practices.		footprint survey to calculate the Group's footprint and
	0 7	(ii)	Increased expenditure for		prioritize energy and waste
(ii)	Increased uncertainty in climate policies.		compliance.		reduction.
(iii)	There are mandates and regulations governing the	(iii)	Increased capital investment to meet these requirements.	(ii)	Monitor updates of relevant environmental laws and regulations for existing
	provision of services in	(iv)	More resources are needed		services, which helps avoid
	exhibitions, ceremonies,		to collect the required		extra costs due to non-
	product launches, and other event formats.		information to meet these new requirements.		compliance.
				(iii)	Planned to engage
(iv)	Increased demand for strict public disclosure requirements.	(v)	Increased operational and investment risks.		professionally to carry out ISO9001 audit in advance.
(v)	Introduction of carbon pricing in operating markets.				
Trai	nsition risks – Technology risks				
(i)	Substitution of existing services with low-carbon alternatives.	(i)	Increased capital investment to develop new technologies to strengthen our competitive	(i)	Reduced operating costs with higher energy efficiency.
(ii)	Increased adoption of green and low-carbon technologies.		edges.		
(iii)	The progress of energy storage technologies.				

Clim	nate-related risks	Pote	ntial financial impacts	Step	s taken to manage the risks
Tran	nsition risks – Market risks				
(i)	The public's awareness of climate-related risks and opportunities is growing, which could cause a shift in	(i)	Increased expenditure to stay updated with current market trends.	(i)	Complied with government- issued climate-related regulations.
	client preferences.	(ii)	Reduced revenue due to the shift in market preference.	(ii)	Prioritized climate change as a top consideration in market
(ii)	Investors increasingly favor a business model that is climate resilient.				decisions.
Tran	sition risks- Reputation risks				
(i)	Potential reputational risks due to customer dissatisfaction with the Group's services.	(i)	Loss of customers and investors.	(i)	Demonstrated social responsibility by arranging more public relations activitie
(ii)	Negative press coverage of the Group's business projects or	(ii)	Increased cost of compliance and mitigation.		to highlight our Group's emphasis on climate change.
	activities with adverse climate impacts.	(iii)	Damaged to brand value.	(ii)	Reviewed the operational process to guarantee they are environmentally friendly.
Tran	sition risks – Supply chain risks	6			
(i)	Diversified operation and sourcing regions.	(i)	Increased upfront investment costs.	(i)	Conducted in-depth market research before procurement.
(ii)	Limited resource availability and higher pricing.	(ii)	Exchange rate risks.	(ii)	Identified multiple suppliers for critical resources.
(iii)	The Growing demand for green supply chains.	(iii)	Cost inflation.	(iii)	Explored alternative resource

(i)

Potential financial impacts

gains and cost reductions.

During the Reporting Period, the main climate-related opportunities and their associated financial impacts were as follows:

#### Climate-related opportunities

#### **Resource efficiency**

- (i) Energy consumption reduction
- (ii) Water Conservation
- (iii) Recycling

#### **Energy source**

- (i) Adoption of lower-emission energy sources.
- (ii) Utilization of supportive policy incentives.
- (iii) Application of new technologies.
- (iv) Transition towards decentralized energy generation.

#### Markets and Services

 Business expansion opportunities, such as green-themed exhibitions, cooperation with environmental organizations and so on.

#### Resilience

- (i) Supply chain resilience.
- (ii) Innovation and competitiveness.
- (iii) Diversification of business offerings.
- (iv) Enhanced reputation and customer loyalty.

(i) Reduced operating costs through the implementation of the lower-cost abatement strategies.

Reduced operating costs through efficiency

- (ii) Increased returns on investment in low-emission technologies.
- (i) Brand image enhancement and revenue increasement.
- (i) Increased revenue.
- (ii) Increased market valuation.

#### **Risk Management**

The Group aligns its climate risk management practices with the TCFD recommendations by systematically integrating climate-related risks into its enterprise risk management framework. This involves a structured risk assessment process that combines national and regional climate data, localized operational insights, and expert knowledge to identify both physical risks and transition risks. By analyzing how climate change may exacerbate existing risks or create new ones. The risk assessment is conducted through the following steps:

#### Step 1: Define the context

- (i) Establish assessment objectives aligning with TCFD requirements.
- (ii) Determine geographic, operational, and Organizational scope, including the PRC, Hong Kong, and Macau.
- (iii) Setting time frames for analysis (short-term, medium-term, and long-term).
- (iv) Selecting climate scenarios (e.g., RCP 4.5, RCP 8.5) and variables (temperature, precipitation, and sea-level rise).

#### Step 2: Identify historical and current risks

- (i) Assess historical climatic hazard occurrences (e.g., floods, heatwaves) in the PRC, Hong Kong, and Macau.
- (ii) Evaluate existing risk management strategies (e.g., infrastructure hardening, insurance coverage).
- (iii) Record gaps in current resilience measures.

#### Step 3: Identify future risks and opportunities

- (i) Analyze climate projections for selected scenarios such as 2°C warming by 2050.
- (ii) Identify emerging hazards such as extreme weather intensification.
- (iii) Determine if historical risks (Step 2) will escalate under future conditions such as increased flood frequency.
- (iv) Explore climate-related opportunities such as policy incentives.

#### Step 4: Risk analysis and prioritization

- (i) Map risks to critical systems such as supply chains, infrastructure, and ecosystems.
- (ii) Quantify potential impacts.
- (iii) Prioritize risks based on severity, likelihood, and time horizons.
- (iv) Mitigation strategies such as diversification are recommended.
- (v) Identify opportunities for value creation.

Adopting the described risk management framework can significantly enhance the Group's resilience and strategic positioning in a changing climate landscape. The framework can enhance transparency through TCFD-compliant disclosures, fostering stakeholder confidence and compliance with evolving regulations in operational areas.

The Group is committed to embedding climate resilience into its operations through proactive initiatives, including real-time monitoring of carbon and energy footprints across daily activities. However, challenges persist in fully quantifying the financial and operational impacts of climate risks and opportunities. The Group will strive to address these challenges aiming to transfer climate-related risks into strategic opportunities and safeguarding long-term value creation.

#### **Metrics and Targets**

The Group adopts key performance metrics to systematically assess and address climate-related risks and opportunities, with a focus on energy consumption and GHG emissions as critical indicators. These metrics are deemed material for evaluating the environmental impact of operations on global climate change during the Reporting Period. By regularly tracking energy usage and GHG emissions, the Group evaluates the effectiveness of its emission reduction initiatives and sets actionable targets to minimize contributions to global warming.

This data-driven approach ensures alignment with sustainability goals while enabling proactive management of risks associated with climate variability and regulatory changes. Through continuous monitoring and strategic adjustment, the Group aims to enhance operational resilience, reduce carbon intensity, and fulfill its environmental stewardship responsibilities.

#### SOCIAL RESPONSIBILITY

#### EMPLOYMENT AND LABOUR PRACTICES

#### **B1. EMPLOYMENT**

The Group recognizes its employees as the cornerstone of its success, fostering a safe, inclusive, and equitable workplace that prioritizes health, well-being, and professional growth. Guided by the principles of fairness and compliance, the Group's employee handbook integrates comprehensive policies aligned with labor laws across the PRC and Hong Kong. These policies cover work conditions, health & safety, and compensation & benefits.

Additionally, the Group provides supplementary allowances (e.g., night shift travel and overtime) and promotes a culture of continuous improvement through regular policy reviews and employee feedback mechanisms. By embedding these practices, the Group aims to cultivate a motivated, loyal workforce while upholding its commitment to ethical and sustainable human resources management.

#### **Equal opportunity**

The Group upholds an unwavering commitment to fostering a workplace where every employee receives equitable treatment across all personnel matters regardless of gender, age, race, nationality, disability, or region. These personnel matters include recruitment, training, promotion, compensation, and termination. The Group ensures equal opportunities embedded into every stage of the employee lifecycle by following the principles as below:

- (i) Non-discrimination: Employees are evaluated solely by merit, skills, and performance against objective criteria.
- (ii) Respect & Dignity: Everyone's privacy, confidentiality, and personal boundaries are rigorously protected while their unique perspectives and contributions are celebrated.
- (iii) Zero-tolerance of harassment: The Group maintains a strict stance against workplace discrimination, harassment, or bullying. All reported incidents are thoroughly investigated, and corrective actions, including disciplinary measures, are taken to ensure the utmost protection of our employees.

#### **Promotion and appraisal**

The Group prioritizes internal talent progression, offering promotional opportunities to employees whenever feasible, subject to vacant positions, individual performance, and demonstrated potential to excel in new roles. This approach fosters loyalty and career-long engagement, aligning employee growth with organizational objectives.

To cultivate a thriving workforce, the Group maintains an inclusive, dynamic workplace that encourages continuous learning and active participation. Employees are provided with training programs. Annual performance reviews serve as a cornerstone of this strategy, enabling supervisors to conduct objective and transparent assessments that recognize achievements, address development needs and provide actional feedback.

Remuneration and salary adjustments are determined by a combination of individual performance outcomes, market competitiveness, and industry benchmarks. This ensures fair and equitable compensation while incentivizing high performance and retention. The Group's reward framework is designed to balance internal equity with external market trends, fostering a motivated and aligned workforce committed to long-term success.

#### **Employee welfare**

The Group recognizes employees' contributions through performance-based discretionary bonuses, awarded annually following comprehensive evaluations that consider both individual achievements and the Group's overall business performance. In addition to financial rewards, we provide a robust welfare package, including competitive medical benefits to support physical and mental well-being. Retirement security is ensured through contributions to Hong Kong's Mandatory Provident Fund, as well as participation in social insurance and housing provident fund schemes for employees in the PRC. Employees enjoy statutory holidays, annual, sick, and maternity leave.

Work-life balance is prioritized through discouraging overtime and offering compensatory time off. Regular initiatives such as annual dinners and Christmas celebrations are organized to foster a cohesive workplace culture. These activities aim to strengthen employee engagement and cultivate a sense of belonging. The frameworks reflect our commitment to a supportive, rewarding environment aligned with modern workforce expectations.

During the Reporting Period, the Group remained compliant with the relevant laws and regulations in the PRC and

Hong Kong, including but not limited to:

 Operational Areas
 Laws and Regulations

 The People's Republic of China
 The Labour Law

The People's Republic of China	The Labour Law
	The Law Contract Law
	The Social Insurance Law
Hong Kong	Employment Ordinance (Cap.57 of the Laws of Hong Kong)
	Employment Compensation Ordinance (Cap.282 of the Laws of Hong Kong)
	Sex Discrimination Ordinance (Cap.480 of the Laws of Hong Kong)
	Mandatory Provident Fund Schemes Ordinance (Cap.485 of the Laws of
	Hong Kong)

To the best of its knowledge, there were no material instances of non-compliance related to employment that would have significantly impacted its operations or stakeholders during the Reporting Period.

#### **Employee Composition**

At the end of the Reporting Period, the total number of employees in the Group was 135 (2023: 152). The employee composition by gender, age group, geographic region, and employee category at the end of the Reporting Period was as follows:

Employee Composition	2024	2023
By Gender		
Male	77.8%	75.5%
Female	22.2%	24.5%
By Age Group		
30 or below	14.8%	16.6%
31–50 years old	65.2%	65.6%
Over 50 years old	20.0%	17.8%
By Geographical Region		
Hong Kong	43.0%	35.1%
Macau	0.7%	0.7%
The People's Republic of China	56.3%	64.2%
By Employee Category		
Management	23.7%	9.3%
General staff	76.3%	90.7%

The employee annual turnover rate by gender, age group, and geographical region during the Reporting Period was as follows:

Employee Turnover Rate	2024	2023
By Gender		
Male	15.2%	18.4%
Female	36.7%	24.3%
By Age Group		
30 or below	10.0%	28.0%
31–50 years old	23.9%	19.2%
Over 50 years old	14.8%	14.8%
By Geographical Region		
Hong Kong	22.4%	11.3%
Macau	0.0%	100.0%
The People's Republic of China	18.4%	23.7%
Overall	20.0%	19.9%

#### **B2. HEALTH AND SAFETY**

The Group prioritizes safeguarding employee health and safety with a steadfast commitment to creating a secure workplace. The Group strictly complies with relevant laws and regulations in the PRC and Hong Kong, including but not limited to:

Operational Areas	Laws and Regulations
The People's Republic of China	The Work Safety Law
	The Prevention and Control of Occupational Diseases Law
	The Fire Darks stien Law
	The Fire Protection Law
Hong Kong	Occupational Safety and Health Ordinance
	(Cap. 509 of the Laws of Hong Kong)

During the Reporting Period, there was no case of non-compliance about health and safety or work-related injury within the Group.

The Group is committed to upholding high standards in employee health and safety. We not only strictly comply with all relevant labour laws and regulations but also take the initiative to develop comprehensive internal policies and standards, including but not limited to:

- (i) Mandatory safety and insurance reviews of all projects, led by dedicated technical managers, to identify and mitigate operational risks.
- (ii) Regular training for new and existing staff covering advanced safety skills, hazard recognition, and compliance updates.
- (iii) Providing adequate first-aid kits and well-maintained fire equipment to employees.
- (iv) Establishing an industrial injury record potential danger reporting mechanism.
- (v) Placing safety posters in warehouses to raise employees' safety awareness.
- (vi) Regular health and safety risk assessments are carried out at workstations to guarantee that our preventive measures effectively minimize risks.
- (vii) The staff handbook clearly states health and safety guidance for employees.
- (viii) Compensation insurance is provided to cover any work-related injuries, illnesses, and occupational diseases.

The Group is dedicated to fully adhering to local occupational health and safety regulations. We expect employees to take reasonable care of their well-being and that of their colleagues. If employees notice unsafety conditions, they are obligated to report it to their supervisor immediately.

Occupational Health and Safety Statistics	2024	2023	2022
Number of last days due to work injury	Nil	Nil	Nil
Number of lost days due to work injury	INII	INII	INII
Number of work-related fatalities	Nil	Nil	Nil

During the Reporting Period, there were no work-related fatalities or lost days due to work injuries in business operations.

#### **B3. DEVELOPMENT AND TRAINING**

The Group recognizes that the expertise and capabilities of its workforce are critical to its long-term sustainable development. All training initiatives are designed to adhere to local laws and safeguard the Group's interests while fostering an open environment through transparent two-way communication. On-job training programs are systematically implemented to ensure employees possess the necessary skills, knowledge, and competencies. To enhance participation, a robust annual appraisal system has been established to evaluate employee contributions, with promotion opportunities tied to assessment outcomes to support career progression within the organization.

Additionally, employees are encouraged to attend external training during working hours to upgrade skills related to new software and equipment. Directors receive annual standardized training, while the Group secretary undergoes regular professional development to meet the requirements of the GEM Listing Rules of the Stock Exchange. The Group remains committed to enhancing its training framework to facilitate employee personal growth and organizational excellence further.

During the Reporting Period, the composition of employees received training by gender and employment category was as follows:

Composition of Employees Received Training	2024	2023
By Gender		
Male	77.8%	75.0%
Female	22.2%	25.0%
By Employment Category		
Management	23.7%	7.0%
General Staff	76.3%	93.0%
Overall	100%	100%

In addition, the average training hours by gender and employment category at the end of the Reporting Period were as follows:

Average Training Hours Received per Employee	2024	2023
By Gender		
Male	15.9	39.6
Female	15.7	32.6
By Employment Category		
Management	16.0	38.2
General Staff	15.8	37.8
Overall	15.9	37.9

#### **B4. LABOUR STANDARDS**

The Group upholds the fundamental human rights of its employees and maintains a strict stance against child labour and forced labour practices. It adheres rigorously to applicable laws and regulations, including the Labour law of the PRC and the Hong Kong Employment Ordinance (Cap. 57 of the Laws of Hong Kong), while promoting fair and equitable principles in all employment practices. The Group champions equal opportunities in the recruitment and promotion process, ensuring no forced labour is tolerated. The Group actively supports the effective elimination of child labour and works towards eradicating all manifestations of forced or compulsory labour, aligning its policies with international human rights conventions.

During recruitment, the Group will thoroughly verify identity documents for all new employees to ensure adherence to legal working age requirements. Our comprehensive humane resources policies clearly define terms related to working hours, remuneration, leave entitlements, and termination procedures to prevent any form of forced labour while protecting employee rights and organizational interests. Standard working hours are set from 9:30 a.m. to 6:00 p.m. Monday to Friday, with a half-day schedule from 9:30 a.m. to 1:00 p.m. on alternate Saturdays, subject to flexible adjustment for technicians on rotational shifts. Employee promotions are directly linked to performance appraisal outcomes, fostering a merit-based culture aligned with the Group's commitment to fair career development.

Regarding the termination of employment contracts, the Group will only consider summary dismissal in cases of repeated dereliction of duties or gross misconduct.

Upholding the principle of labor autonomy, the Group ensures all work is performed voluntarily without forced labour. The Group strictly prohibits the use of disciplinary measures involving physical abuse, corporal punishment, and verbal & physical violence.

During the Reporting Period, the Group confirmed no violations of applicable laws and regulations concerning child labour recruitment or forced labor practices.

#### **OPERATING PRACTICES**

#### **B5. SUPPLY CHAIN MANAGEMENT**

As a responsible corporate citizen, we are dedicated to fostering positive change across our entire supply chain ecosystem. We aim to minimize operational carbon footprints by prioritizing local sourcing strategies while supporting regional economic development, which enables us to achieve our sustainability goals through shorter transportation networks and strengthen resilience within our supply chain. During the Reporting Period, we had a total of 275 suppliers.

Suppliers By geographical region	2024 Number	2023 Number
The People's Republic of China	216	203
Hong Kong	56	56
Macau	2	3
Europe		1
Singapore	1	1

We are acutely aware of our responsibility towards the environment and society, which is also reflected in our comprehensive approach to supplier management. We carry out regular and in-depth reviews of our key suppliers to safeguard these vital aspects. We aim to ensure that their operations do not cause any significant harm to the environment or society.

The safety of the equipment supplied is of utmost importance. Our highly skilled technicians conduct meticulous inspections of all goods received. These inspections are not only to guarantee the safety of the products but also to ensure strict compliance with both national and international safety standards. If a supplier fails to meet these crucial safety requirements, we will not hesitate to terminate our cooperation and remove them from our approved supplier list. This decisive action protects our customers, employees, and the general public.

Moreover, we greatly emphasize the quality of suppliers' products and services. When evaluating new suppliers, we adopt a comprehensive and multi-dimensional approach. We consider a wide range of factors, including the quality of their products and services, their past performance or track record, their reputation within the industry, the length of time they have been in business, their level of experience, the scale of their business operations, and their price. By carefully weighing these elements, we are able to make decisions that not only benefit our company but also contribute to the long-term success of our supply chain and the satisfaction of our customers.

We have implemented a comprehensive procurement policy complemented by a rigorous supplier selection process. This framework is designed to streamline the assignment of purchasing responsibilities and guarantee a uniform approach in identifying suppliers who can offer optimal terms, conditions, and products that align with our exacting standards and requirements. For all procurement activities involving goods and services, we are in line with the following guiding principles:

- (i) Wherever feasible, we engage in competitive tendering processes, ensuring the unbiased selection of tenderers with the appropriate qualifications.
- (ii) Tenders are evaluated objectively.
- (iii) Contracts are customized to suit the specific needs of each procurement.
- (iv) We favor suppliers with sound environmental practices, such as waste reduction, use of renewable energy, and sustainable packaging.
- Suppliers are expected to demonstrate fair labor practices to ensure safe working conditions, provide fair pay, and maintain a discrimination-free workplace.
- (vi) Suppliers are expected to have transparent government structures to detect any corruption behaviors.

#### **B6. PROJECT AND SERVICE RESPONSIBILITY**

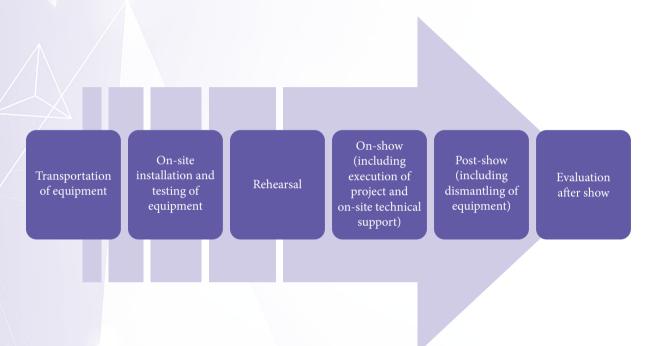
The Group recognizes project and service quality as a cornerstone of its competitive edge and drives continuous improvement while fostering transparent customer communication. We maintain strict adherence to applicable laws and regulations across the PRC, Hong Kong, and Macau, including but not limited to:

- (i) The Consumer Protection Law of the PRC.
- (ii) The Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong).
- (iii) The Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong).
- (iv) Personal Data Protection Act 8/2005 in Macau.

During the Reporting Period, there were no material violations related to project and service quality obligations or consumer protection laws in the jurisdictions in which we operate.

#### **Project and Service Quality**

Our mission is to deliver cutting-edge visual, lighting, and audio solutions and services that exceed client expectations. To achieve this, we have established a rigorous end-to-end quality management process covering every phase of our operations:



To maintain equipment quality, all purchases of equipment and spare parts are exclusively sourced from reputable suppliers. During vendor selection, we rigorously evaluate both equipment quality and industry reputation.

Upon receipt of the equipment delivered, comprehensive inspection and functional tests are conducted to verify optimal operational status. Any identified defects or malfunctions trigger immediate replacement requests. Prior to client site delivery and during on-site rehearsals, technicians perform detailed checks to ensure proper functionality. This meticulous process guarantees seamless project execution. Further, redundant equipment quantities are strategically allocated as contingency measures for unforeseen technical issues. Our certified technicians have advanced troubleshooting capabilities and provide proactive maintenance services to address anomalies efficiently.

After the show, a comprehensive performance evaluation will be conducted according to the following criteria:

- (i) Project timeline adherence is evaluated through metrics such as setup scheduling efficiency and overtime management, ensuring adherence to timelines while minimizing delays.
- (ii) Safety compliance encompasses structural integrity checks of equipment and enforcement of proper personal protective equipment usage during setup and dismantling.
- (iii) For the show execution, we will look at elements like LED and lighting effects, video playback, and audio playback on the show date.
- (iv) The image of technicians, including their on-site conduct and professionalism, will also be part of the evaluation.

This comprehensive evaluation enables us to pinpoint both existing problems and areas ripe for enhancement. By doing so, we can implement targeted rectification measures and set our sights on achieving excellence in all future projects.

#### **Customer Relations**

Effective communication and a deep understanding of customer needs are fundamental responsibilities of our management. The Group has forged enduring business relationships with key customers. This ensures the end service not only meets but often exceeds the requirements and expectations of users. We are acutely aware that customer satisfaction is the cornerstone of our success. Thus, we are dedicated to thoroughly grasping their requirements and concerns and earning their continued business by efficiently addressing their needs. Our specific policies are as follows:

- (i) We always prioritize customers. This involves offering top-notch facilities, creating a high-end viewing environment, and delivering services that consistently meet or surpass customers' needs in all reasonable situations. Whether it's the latest projection technology or personalized customer service, we aim to provide an unrivaled experience.
- (ii) We have set up a service hotline and an email inquiry channel. All customer inquiries are guaranteed to be addressed within a specified and reasonable time frame. Our trained customer service representatives are available around the clock to answer questions, resolve issues, and provide support, ensuring that customers feel heard and valued.
- (iii) Our services are designed to meet high standards of performance, efficiency and courtesy in a reliable and safe manner. We adhere to strict industry regulations and best practices in facility quality and service delivery. This ensures customers enjoy a seamless and secure experience whenever they engage with our services.
- (iv) We are committed to providing timely, accurate, and comprehensive information about our operations, capabilities, and services. We make sure to avoid any misrepresentation, exaggeration, or overstatement. Whether it's details about schedules, technical specifications of our facilities, or updates on new services, customers can rely on us for honest and clear communication.

#### **Copyrights Management**

The Group has developed a comprehensive copyright management policy for its involvement in the service of exhibitions, ceremonies, conferences, product launches, and concerts.

Regarding copyright registration and ownership, the Group has a swift filing process for creative works that are emerging from or used in service. If any suspected copyright infringement comes to the Group's attention, the policy provides clear guidelines on the reporting structures, as well as the responsible parties and departments. Additionally, the Group implements security encryption measures and sets up security codes to safeguard internal data and privacy.

To prevent copyright infringement, the Group strictly prohibits the use of pirated software, ensuring full compliance with copyright laws and respect for the rights of other parties. Employees are obligated to adhere strictly to the Group's copyright management procedures to prevent any illegal recording.

#### **Data Protection and Privacy Policies**

The Group is fully committed to upholding data protection principles and complying with relevant laws and regulations. Security software has been installed on all servers to safeguard sensitive information and the confidentiality of personal data collected from employees, customers, and suppliers. Such data will not be shared with external third parties without prior consent except when required or permitted by law. Access to personal data is strictly restricted to authorized employees who require it for specific job-related tasks such as recruitment processes and customer service operations. Only personnel with formal authorization are permitted to handle personally identifiable information. At the same time, the retention of personal data is governed by the principle of necessity, which is limited to the period required for fulfilling stated purposes or as legally mandated at the time of collection.

In line with our operational obligations, we handle confidential business information and customer personal data with the highest level of care. We are dedicated to maintaining privacy compliance across its operational jurisdictions by adhering to applicable laws. Employees are prohibited from disclosing sensitive information to third parties without written consent.

During the Reporting Period, no incidents or verified complaints involving customer or employee privacy breaches or data losses were reported.

#### Advertising

The Group maintains strict adherence to all applicable advertising and consumer protection laws across its operational jurisdictions, including the Advertising Law of the PRC, the Consumer Protection Law of the PRC, the Trade Descriptions Ordinance (Cap. 362 the Laws of Hong Kong), and Law 7/89/M of Macau. All advertising materials undergo rigorous authenticity verifications before publication to safeguard consumer rights and prevent misleading representations.

During the Reporting Period, the Group remained fully compliant with product liability in operational jurisdictions. There were no recorded incidents of non-compliance or consumer complaints related to advertising practices.

#### **B7. ANTI-CORRUPTION**

The Group is wholeheartedly committed to upholding the strictest standards of business ethics and integrity by scrupulously complying with all relevant laws and regulations regarding corruption, bribery, extortion, fraud, and money laundering. We adhere to a comprehensive range of legislation across the PRC, Hong Kong, and Macau, including but not limited to the following:

Operational Areas	Laws and Regulations
The People's Republic of China	Anti-Unfair Competition Law
	The Criminal Law
Hong Kong	Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong)
	Anti-Money Laundering and Counter-Terrorist Financing Ordinance
	(Cap.615 of the Laws of Hong Kong)
Macau	Law of 19/2009 on the Prevention and Suppression of Bribery in the Private Sector
	5000

To reinforce this commitment, we have established a robust internal governance system. Our code of conduct, anti-fraud policy, and other related policies clearly define our stance against corruption and illegal or unethical business conduct. Every employee is required to strictly adhere to these policies, thereby maintaining the highest levels of business ethics and integrity at all times. We conduct regular risk assessments to ensure the continued effectiveness of our policies. In the event of any suspected cases of corruption or other illegal activities, we encourage whistleblowers to come forward. They can report such concerns to our senior management via phone, letter, or email. All reports are treated with the utmost confidentiality.

In our procurement activities, the Group has implemented purchasing policies and procedures that strictly prohibit employees from soliciting or accepting any form of advantage from suppliers or customers. We regularly issue circulars and guidelines to remind our stakeholders of our anti-corruption policies. To further enhance anticorruption awareness, we provide corruption prevention training to all our employees. This training focuses on anti-corruption laws, the dangers of corruption, and methods of managing conflict of interest and maintaining staff integrity. The number of employees received anti-corruption training and the training hours by employment category were as follows:

Anti-corruption Training	2024	2023
Number of employees received training		
Management	32	11
General staff	103	137
Total employees	135	148
Number of training hours		
Management	256	93
General staff	824	916
Total training hours	1,080	1,009

The Group has an internal audit function to conduct thorough and meticulous investigations into all potential fraud cases. During these investigations, the identity of whistleblowers is safeguarded. Once fraud cases are substantiated, our management takes immediate and appropriate follow-up and corrective actions. Moreover, the internal audit department is required to report any instances of fraudulent activity to the Audit Committee of the Board at least once a year. These reports detail the number of reported cases, the nature of significant cases, and the outcome of the investigation.

Throughout the Reporting Period, no concluded legal cases regarding corrupt practices were brought against the Group or its employees.

#### COMMUNITY

#### **B8. COMMUNITY INVESTMENT**

As a conscientious corporate entity, the Group acknowledges its duty to comprehend and respond to the requirements of society. We are firmly dedicated to generating a beneficial influence on community development and are actively engaged in enhancing the quality of life within our communities.

The Group remains acutely attuned to the needs of the community at all times. We make continuous efforts to have a positive effect on community growth. To this end, we inspire our employees to offer their time as volunteers and apply their skills to support local communities. Our goal is to foster a harmonious social environment. By fulfilling our corporate social responsibility, we seek to contribute to the overall prosperity and progress of the communities where our business operations are based, which not only enriches the lives of community members but also strengthens the long-term sustainability of our business in these areas.

#### **APPENDIX - HKEX ESG REPORTING CODE CONTENT INDEX**

This report is prepared in accordance with the "Environmental, Social and Governance Reporting Code" under Appendix C2 of the GEM Listing Rules. The following table provides an overview of the general disclosures and KPIs of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Report or supplementing the Report with additional information.

Description		Reference/Statement
Subject Area A – Env	vironmental	
Aspect A1: Emission	s	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions

Description		Reference/Statement
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	During the Year, we did not generate hazardous waste in our operations.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions
Aspect A2: Use of Res	ources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources
Aspect A3: The Enviro	onment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

Description		Reference/Statement
Aspect A4: Climate C	Change	
General Disclosure	Policies on identification and mitigation of significant climate- related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
Subject Area B – Soci	ial	
Aspect B1: Employm	ent	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health an	d Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	No work-related fatality occurred in each of the past three years, including the Reporting Year.
KPI B2.2	Lost days due to work injury.	No lost day due to work injury during the Reporting Period.
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

Description		Reference/Statement
Aspect B3: Developm		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description for training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour St	andards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	No instances of child labour or forced labour have been found within the Group.
Aspect B5: Supply Ch	nain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product R	Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Project and Service Responsibility

Description		Reference/Statement		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products were sold or shipped		
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Project and Service Responsibility		
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Project and Service Responsibility		
KPI B6.4	Description of quality assurance process and recall procedures.	Project and Service Responsibility		
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Project and Service Responsibility		
Aspect B7: Anti-Corr	uption			
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases.	No concluded legal cases regarding corrupt practices were brought against the Group or its employees during the Reporting Period.		
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption		
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption		
Aspect B8: COMMUNITY INVESTMENT				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment		
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment		

### **REPORT OF THE DIRECTORS**

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Reporting Period.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of visual, lighting and audio solutions services in Hong Kong, the PRC and Macau.

A fair review of the business of the Group, as well as a discussion and analysis of the Group's performance during the Reporting Period, and the material factors underlying its results of operations and financial position are set out in the section headed "Management Discussion and Analysis" in this annual report. These discussions form an integral part of this report of the Directors.

#### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group recognises its social responsibility to protect the environment from its business activities and achieve environmental sustainability. The Group endeavours to comply with the laws and regulations regarding environmental protection and adopt effective measure to achieve efficient use of resources, energy saving and waste reduction.

The environmental, social and governance report, which forms an integral part of this annual report, is set out in the section headed "Environmental, Social and Governance Report" in this annual report.

#### **RESULTS AND APPROPRIATIONS**

The financial performance of the Group for the Reporting Period and the financial position of the Group as at 31 December 2024 are set out in the audited consolidated financial statements on pages 78 to 143 of this annual report.

The Board has resolved not to recommend a final dividend for the Reporting Period (2023: Nil).

#### SEGMENT INFORMATION

An analysis of the Group's performance for the Reporting Period by operating segment is set out in note 5 to the consolidated financial statements.

#### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 144 of this annual report.

#### **PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

#### BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in note 23 to the consolidated financial statements.

#### SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 20 to the consolidated financial statements.

#### RESERVES

Details of movements in reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 30 to the consolidated financial statements, respectively.

#### DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company did not have any reserves available for distribution as calculated in accordance with the relevant provisions of the Companies Act of Cayman Islands.

#### **CHARITABLE DONATIONS**

During the Reporting Period, the Group did not made any charitable donations (2023: Nil).

#### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company's securities during the Reporting Period.

#### DIRECTORS

The Directors of the Company during the Reporting Period and up to the date of this annual report were as follows:

#### **Executive Directors**

Mr. Wong Man Por *(Chairman and Chief Executive Officer)* Mr. Wong Hon Po (resigned with effect from 1 March 2024) Mr. Wong Chi Bor

#### Independent non-executive Directors

Dr. Leung Wai Cheung Mr. Cheung Wai Lun Jacky (resigned with effect from 31 December 2024) Mr. Chan Wing Kee Ms. Soon Yuk Tai (appointed with effect from 31 December 2024)

Pursuant to article 108(a) of the Articles, at each annual general meeting, at least one-third of the Directors shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

#### **Confirmation of Independence**

Each independent non-executive Director has given the Company a written confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

#### DIRECTORS' SERVICE CONTRACTS

#### (a) Executive Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from the date of the Listing, which may be terminated by not less than three month's notice served by either party. The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles.

#### (b) Independent non-executive Directors

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years commencing from the date of the Listing, which may be terminated by not less than three month's notice served by either party. The term of service of a Director is subject to the provisions on retirement by rotation of Directors as set out in the Articles.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Company or its subsidiaries, as applicable within one year without payment of compensation other than statutory compensation).

# EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID INDIVIDUALS

The emolument of the Directors is recommended by the Remuneration Committee with reference to the benchmarking of the market. The Remuneration Committee also looks into individual Director's competence, duties, responsibilities and performance.

Details of the emoluments of (i) the Directors, (ii) chief executive and (iii) the five highest paid individuals of the Group are set out in notes 31 and 9 to the consolidated financial statements, respectively.

#### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

#### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, none of the Directors or any entity connected with any of them had any material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries, parent company or subsidiaries of the parent company was a party and subsisting at any time during or at the end of the Reporting Period.

As at 31 December 2024 and at any time during the Reporting Period, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries.

#### DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its specified undertakings as defined in the Companies (Directors' Report) Regulation (Cap 622D of the laws of Hong Kong) or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

#### MANAGEMENT CONTRACTS

Other than employment contracts, the Company did not enter into or have any management and/or administration contracts in respect of the whole or any substantial part of the business of the Company during the Reporting Period.

#### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this annual report, the Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the Reporting Period.

#### NON-COMPETITION UNDERTAKING

Each of Mega King Elite Investment Limited ("Mega King") and Mr. MP Wong (collectively, the "Covenantors") entered into a deed of non-competition in favour of the Group (the "Deed of Non-competition") on 1 December 2017, details of which are set out in the section headed "Relationship with Our Controlling Shareholders – Deed of non-competition" in the prospectus of the Company dated 8 December 2017 (the "Prospectus").

The Company received from each of the Covenantors an annual confirmation on their respective compliance of the non-competition undertaking under the Deed of Non-competition. The INEDs have reviewed the compliance of such undertaking and evaluated the effective implementation of the Deed of Non-competition and they were satisfied with the Covenantors' compliance with their undertaking for the Reporting Period.

#### DISCLOSURE OF DIRECTORS' INTERESTS

# (a) Interests and short positions of Directors and chief executives 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 or the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "**SFO**")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

#### *(i)* Interests in the Company

Name of Director	Capacity/Nature of Interest	Number of Shares held/ interested in <sup>(Note 1)</sup>	Percentage of shareholding
Mr. MP Wong <sup>(Note 2)</sup>	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	290,000,000 (L)	72.5%
Notes:			

1. The letter "L" denotes the person's long position in the Shares.

2. The 290,000,000 Shares are held by Mega King, and Mega King is wholly-owned and beneficially owned by Mr. Wong. By virtue of the provisions of Part XV of the SFO, Mr. Wong is deemed to be interested in all the Shares held by Mega King.

Mr. MP Wong is the founder of our Group, an executive Director and the chairman of our Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King and the 290,000,000 Shares beneficially owned by Mega King.

#### (ii) Long position in the shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares held/ interested in	Percentage of shareholding
Mr. MP Wong <sup>(Note 1)</sup>	Mega King	Interest of a controlled corporation and founder	1	100%

Note:

 Mr. MP Wong is the founder of our Group, an executive Director and the chairman of our Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King.

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

## (b) Interests and short positions of the substantial shareholders and other persons in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2024, so far as it is known to the Directors, the following persons (other than a Director or chief executives of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of shareholder		Number of	
	Capacity/Nature of Interest	Shares held/ interested in <sup>(Note 1)</sup>	Percentage of shareholding
Mega King (Note 2)	Interest of controlled corporation	290,000,000 (L)	72.5%
Mrs. Wong (Note 3)	Interest of spouse	290,000,000 (L)	72.5%
Notes			

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The 290,000,000 Shares are held by Mega King, and Mega King is wholly-owned and beneficially owned by Mr. Wong. By virtue of the provisions of Part XV of the SFO, Mr. Wong is deemed to be interested in all the Shares held by Mega King.

3. Mrs. Wong is the spouse of Mr. MP Wong and is deemed or taken to be interested in all the Shares held by Mega King for the purpose of the SFO.

Save as disclosed above, as at 31 December 2024, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 1 December 2017 ("**Adoption Date**"). The Share Option Scheme will remain in force for a period of 10 years from 1 December 2017 to 30 November 2027. A summary of the principal terms of the Share Option Scheme pursuant to Rules 23.03 to 23.05A of the amended Chapter 23 of the GEM Listing Rules 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 and services providers of our Group and to promote the success of the business of our Group.

#### 2. Participants of the Share Option Scheme

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 our Group, or any substantial shareholder of our Group, or any distributor, contractors, supplier, agent, customer, business partner or services provider of our Group, options to subscribe at a price calculated in accordance with paragraph (8) below 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 participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of our Group.

## 3. Total number of Shares available for issue under the Share Option Scheme and percentage of issued Shares

As at 31 December 2024 and up to date of this annual report, no share option has been granted under the Share Option Scheme. The maximum number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of this annual report.

#### 4. Maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company containing the identity of the eligible participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under the amended Chapter 23 of the GEM Listing Rules; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules from time to time with such eligible participant and his/her close associates (as defined in the GEM Listing Rules) (or his/her associates if the eligible participant is a core connected person) abstaining from voting.

Where any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue, such further grant of options must be approved by the shareholders in general meeting.

#### 5. The period within which the Shares must be exercised under the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date upon which the option is deemed to be granted and accepted.

#### 6. The vesting period for which an option must be held before it can be exercised

Not less than 12 months.

#### 7. 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. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.

#### 8. The basis of determining the exercise price

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant of the option.

#### 9. The remaining life of the Share Option Scheme

The Share Option Scheme, unless otherwise terminated or amended, will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the Business Day immediately proceeding the tenth anniversary thereof. The remaining life of the Share Option Scheme is approximately 2 years 8 months as at the date of this annual report.

Since the adoption of the Share Option Scheme, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at the date of this report of the Directors.

#### **EQUITY-LINKED AGREEMENTS**

No equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

#### **COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS**

As far as the Directors are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

#### MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, the aggregate amount of revenue attributable to the Group's largest and the five largest customers accounted for approximately 13.4% and 36.7% (2023: 31.8% and 51.9%) of the total revenue of the Group, respectively. For the Reporting Period, the Group's cost of services from the largest and the five largest suppliers accounted for approximately 3.5% and 14.8% (2023: 12.8% and 27.6%) of the total cost of services of the Group, respectively. At no time during the Reporting Period did the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) have any interest in the Group's major customers or suppliers as disclosed above.

#### **RELATED PARTY TRANSACTIONS**

Details of the related party transactions entered into by the Group are set out in note 29 to the consolidated financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

#### CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not enter into any connected or continuing connected transactions that are not exempted under Chapter 20 of the GEM Listing Rules.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintaining high level of corporate governance standards. Details of the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" in this annual report.

#### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float as required under the GEM Listing Rules.

#### **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive or similar rights under the laws of Caymans Islands or the Articles which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

#### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as he or she shall incur or sustain through his/her own fraud or dishonesty.

#### **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had 135 employees in Hong Kong, the PRC and Macau (2023: 152 employees). The remuneration package the Group offered to the Group's employees includes wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of the Group's employees, which forms the basis of the Group's decisions with respect to salary raises, bonuses and promotions. The Group also provides trainings to the employees to enhance their knowledge and maintain the quality of our services.

#### **RETIREMENT SCHEME**

The Group participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("**MPF Scheme**") for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The employees of the Company's subsidiaries which operate in mainland China are required to participate in a defined contribution pension scheme centrally operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The only obligation of the Company with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

# REPORT OF THE DIRECTORS (continued)

The employees of the Company's subsidiaries which operate in Macau are required to participate in a pension scheme operated by the government. The Group's Macau subsidiaries are required to contribute a percentage of their payroll costs to the pension scheme. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the pension scheme.

The total retirement benefit scheme contributions made by the Group amounted to approximately HK\$3.8 million for the Reporting Period (2023: HK\$4.1 million).

During the Reporting Period, no forfeited contributions (by employers on behalf of employees who leave the retirement schemes prior to vesting fully in such contributions) be used to reduce the existing level of contributions.

### **RELATIONSHIP WITH STAKEHOLDERS**

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the Reporting Period, there were no material and significant disputes between the Group and its employees, customers and suppliers.

The Group recognises employees as one of its valuable assets and strictly complies with the labour laws and regulations and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance. The Group provides good quality services to its customers. The Group also maintains effective communication and develops a long-term business relationship with the customers and suppliers.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Friday, 30 May 2025, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both dates inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2025.

### EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of approval of this annual report.

### AUDITORS

The accounts for the year ended 31 December 2024 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Wong Man Por** *Chairman and Executive Director* Hong Kong, 31 March 2025

# **INDEPENDENT AUDITORS' REPORT**



31/F, Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong

TO THE MEMBERS OF AV PROMOTIONS HOLDINGS LIMITED (incorporated in Cayman Islands with limited liability)

### **OPINION**

We have audited the consolidated financial statements of AV Promotions Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 78 to 143, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### **BASIS FOR OPINION**

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

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1.1 to the consolidated financial statements, which indicates that the Group's current liabilities exceeded its current assets by approximately HK\$13,740,000 as at 31 December 2024. These conditions, along with other matters as described in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **KEY AUDIT MATTERS**

contract assets.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and contract assets Refer to notes 3.1(a) to the consolidated financial	Our procedures in relation to management's impairment assessment of trade receivables and contract assets included but not limited to:
statements As at 31 December 2024, the Group has trade receivables of approximately HK\$16,886,000 and contract assets of approximately HK\$16,404,000.	• Discussed with the management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables and contract assets;
To determine whether there is objective evidence of impairment, management considers a wide range of factors such as the creditworthiness, the past collection	• Tested aging of trade receivables balances at year end on a sample basis to the underlying invoices;
history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding	• Evaluated the reasonableness of management assessment on expected credit losses by reviewing historical repayment records of relevant debtors on a sample basis;
balances in order to estimate the expected credit losses for the impairment assessment using the simplified approach.	• Obtained the working paper files prepared by valuation expert engaged by the management to evaluate the reasonableness of the forward-looking
We focused on this area due to the use of significant judgement and estimates by management on the evaluation of the recoverability of trade receivables and	information used in the working papers and re- calculate the expected credit losses; and

• Evaluated the competence, capabilities and objectivity of the valuation expert engaged by the management.

Based on the procedures performed, we found the management's impairment assessment of trade receivables and contract assets to be supported by the available supporting evidence.

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other information").

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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

# AUDITORS' 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 auditors' report that includes our opinion, 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.

# AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.
- 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 auditors' 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 auditors' 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

# AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in the independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited Certified Public Accountants

Lo Kin Kei Practising Certificate Number: P06413

Hong Kong, 31 March 2025

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Year ended 31 December		
		2024	2023
	Notes	HK\$'000	HK\$'000
	V.		
Revenue	6	125,887	139,243
Cost of services		(95,640)	(117,468)
Gross profit		30,247	21,775
Other income	6	378	154
Other gains, net	7	1,347	215
Reversal/(Provision) of impairment losses on trade receivables and			
contract assets		912	(933)
Selling expenses		(7,502)	(6,849)
Administrative expenses		(18,867)	(23,146)
Operating profit/(loss)		6,515	(8,784)
Finance income	10	2,335	2,227
Finance expenses	10	(7,839)	(9,056)
Finance expenses – net		(5,504)	(6,829)
Profit/(Loss) before income tax		1,011	(15,613)
Income tax credit	12	747	3,241
Profit/(Loss) for the year		1,758	(12,372)
Profit/(Loss) for the year attributable to:		1 762	(12.260)
- Owners of the Company		1,762 (4)	(12,369)
– Non-controlling interests		(4)	(3)
		1,758	(12,372)
Basic and diluted profit/(loss) per share attributable to owners of			
the Company (HK cents)	13	0.44	(3.09)

The accompany notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended a	31 December
	2024	2023
	HK\$'000	HK\$'000
Profit/(Loss) for the year	1,758	(12,372)
Other comprehensive expense:		
Item that may be reclassified to profit or loss		
Currency translation differences	(1,747)	(541)
Total comprehensive income/(expense) for the year	11	(12,913)
Total comprehensive income/(expense) for the year attributable to:		
- Owners of the Company	15	(12,910)
- Non-controlling interests	(4)	(3)
	11	(12,913)

The accompany notes form an integral part of these consolidated financial statements.

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 December		
		2024	2023
	Notes	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	89,962	86,268
Right-of-use assets	15	2,114	14,881
Deposits	18	704	1,047
		92,780	102,196
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Current assets			
Trade and bills receivables	18	17,765	30,503
Contract assets	24	16,404	34,660
Prepayments, deposits and other receivables	18	8,886	5,180
Pledged time deposits	19(b)	36,000	61,000
Cash and cash equivalents	19(a)	12,464	7,344
		91,519	138,687
			<u> </u>
Total assets		184,299	240,883
EQUITY			
Share capital	20	4,000	4,000
Share premium	20	41,901	41,901
Exchange reserve	21	(1,461)	286
Other reserves	21	5,314	5,314
Retained earnings		8,614	6,852
		58,368	58,353
Non-controlling interests		(7)	(3
Total equity		58,361	58,350
- or an optimized and a second s		00,001	
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	16	2,691	2,408
Borrowings	23	17,650	17,650
Lease liabilities	15	338	12,838
			<b>22</b> 63 5
		20,679	32,896

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

		December	
		2024	2023
	Notes	HK\$'000	HK\$'000
Current liabilities			
Trade and bills payables	22	44,789	51,827
Accruals and other payables	22	8,180	13,469
Borrowings	23	46,076	76,096
Lease liabilities	15	1,843	2,769
Current income tax liabilities		4,371	5,476
		105,259	149,637
Total liabilities		125,938	182,533
Total equity and liabilities		184,299	240,883

The consolidated financial statements on pages 78 to 143 were approved by the Board of Directors on 31 March 2025 and were signed on its behalf by:

**Wong Man Por** *Chairman and Executive Director*  Wong Chi Bor Executive Director

The accompany notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	<b>Sub-total</b> HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
A s at 1 January 2023	4,000	41,901	827	5,314	19,221	71,263		71,263
Comprehensive expense Loss for the year Other comprehensive expense	-	-	-	-	(12,369)	(12,369)	(3)	(12,372)
Currency translation differences	-	-	(541)	_	_	(541)	-	(541)
Total comprehensive expense			(541)		(12,369)	(12,910)	(3)	(12,913)
As at 31 December 2023 and 1 January 2024	4,000	41,901	286	5,314	6,852	58,353	(3)	58,350
<b>Comprehensive income</b> Profit/(Loss) for the year	_				1,762	1,762	(4)	1,758
Other comprehensive expense Currency translation differences	-		(1,747)			(1,747)		(1,747)
Total comprehensive (expense)/ income	_		(1,747)		1,762	15	(4)	11
A s at 31 December 2024	4,000	41,901	(1,461)	5,314	8,614	58,368	(7)	58,361

# CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December		
	2024	2023	
	HK\$'000	HK\$'000	
Cash flaura from an anti-striction			
Cash flows from operating activities	1.011	(15 (12))	
Profit/(Loss) before income tax	1,011	(15,613)	
Adjustments for:			
Finance expenses	7,839	9,056	
Depreciation of property, plant and equipment	17,247	27,038	
Depreciation of right-of-use assets	3,746	5,342	
Gains on lease termination	(1,153)	(186)	
(Reversal)/Provision of impairment losses on trade receivables and			
contract assets	(912)	933	
Bank interest income	(2,335)	(2,227)	
(Gains)/Losses on disposals of property, plant and equipment	(123)	323	
Operating cash flows before working capital changes	25,320	24,666	
Change in working capital:			
Trade and bills receivables	12,976	(6,552)	
Contract assets	17,727	(4,866)	
Prepayments, deposits and other receivables	(4,395)	(55)	
Trade and bills payables	(6,952)	(1,026)	
Accruals and other payables	(4,972)	2,467	
Net cash generated from operating activities	39,704	14,634	

# CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Year ended 31	December
	2024	2023
	HK\$'000	HK\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,000)	(8,813)
Proceeds from disposals of property, plant and equipment	44	75
Bank interest received	2,356	2,295
Decrease in pledged time deposits	25,000	605
Net cash generated from/(used in) investing activities	6,400	(5,838)
Cash flows from financing activities		
Proceeds from borrowings	11,866	19,069
Repayments of borrowings	(41,663)	(21,940)
Principal elements of lease payments	(2,764)	(2,450)
Payments of interest	(8,063)	(8,960)
Net cash used in financing activities	(40,624)	(14,281)
Net increase/(decrease) in cash and cash equivalents	5,480	(5,485)
Cash and cash equivalents at beginning of year	7,344	12,853
Exchange losses on cash and cash equivalents	(360)	(24)
Cash and cash equivalents at end of year	12,464	7,344

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### **1 GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 23 February 2017 as an exempted company with limited liability under the Companies Act (2021 Revision), formerly known as the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of visual, lighting and audio solution services in Hong Kong, the PRC and Macau. As of 31 December 2024, the ultimate holding company of the Company is Mega King Elite Investment Limited incorporated in the British Virgin Islands ("BVI"). The ultimate controlling party of the Group is Mr. Wong Man Por ("Mr. MP Wong").

The shares of the Company were listed on the GEM of The Stock Exchange of Hong Kong Limited on 21 December 2017.

These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

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

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance (Cap 622). The consolidated financial statements have been prepared on a historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Going concern

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately HK\$13,740,000. These conditions indicated the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of such circumstance, the directors of the Group has given careful consideration to the future performance and liquidity of the Group. The Group has been continuously implementing measures to improve its profitability and operating performance and to mitigate the liquidity pressure. These measures include (1) implementing business strategies to secure more projects and enhance the operation efficiency of the Group's provision of visual, lighting and audio solutions services in Hong Kong, the PRC and Macau, (2) aiming to reduce the direct operating costs, (3) continuing its measures to control administrative and other operating expenses, (4) looking for other possible financing options to strengthen the liquidity of the Group, and (5) reducing addition of property, plant and equipment based on cash flow position.

The directors of the Company have assessed the Group's cash flow projections cover a period of not less than twelve months from 31 December 2024. The key factors that are taken into account by management in the cash flow projections include the anticipated cash flows from the Group's operations, capital expenditures, continuous availability of bank facilities. The Group's ability to achieve the projected cash flows depends on management's ability to successfully implement the aforementioned measures on profitability and liquidity and the continuous availability of bank facilities.

With respect to the Group's bank financing, the Group maintains continuous communication with its principal banks. The directors are not aware of any intention of the principal banks to require early repayment of the bank borrowings. The ultimate controlling party has undertaken to provide financial support for the continuing operations and to meet its liabilities as they fall due.

The directors are of the view that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

### 2.1.2 Amendments to HKFRSs adopted by the Group

The Group has applied the following amendments to HKFRSs for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related
	amendments to Hong Kong Interpretations 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and	Supplier Finance Arrangements
HKFRS 7	

The adoption of the amendments to HKFRSs for the year ended 31 December 2024 has had no material impact on the amounts reported in these consolidated results and/or disclosures set out in these consolidated results.

#### 2.1.3 New and amendments to HKFRSs not yet adopted

Certain new and amendment to HKFRSs have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.3 New and amendments to HKFRSs not yet adopted (Continued)

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.2 Subsidiaries

### 2.2.1 Consolidation

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

#### 2.2.2 Separate consolidated financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate consolidated financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of directors that makes strategic decisions.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

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

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method after taking into account of their estimated residual values at the following rates:

Leasehold improvements	20% per annum or over the lease terms, whichever is shorter
Machinery and equipment	10%–20% per annum
Furniture and fixtures	20% per annum
Motor vehicles	20% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains, net" in the consolidated statement of profit or loss.

### 2.6 Impairment of non-current non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.7 Financial assets

### 2.7.1 Classification

The Group classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

### 2.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### 2.7.3 Measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains, net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

### 2.7.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(a) for further details.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.8 Trade, bills and other receivables

Trade receivables are amounts due from customers for services provided in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. If collection of trade, bills and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### 2.9 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.10 Pledged time deposits

Pledged time deposits represent fixed deposits pledged to the banks for issuance of bank facilities and bank borrowings.

### 2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.12 Trade, bills and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.13 Contract assets and contract liabilities

Upon entering in to a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customers. The combination of those rights and performance obligation give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligation. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining rights.

Contract asset are assessed for expected credit losses in accordance with the policy set out in Note 2.7 and are reclassified to receivables when the right to the consideration has become unconditional.

#### 2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

### 2.16 Current and deferred income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.16 Current and deferred income tax (Continued)

#### (b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intents either to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.17 Employee benefits

#### (a) Pension obligations

A defined contribution plan is a pension plan which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Pursuant to the government regulations in HK and the PRC, the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 5% to 20% of the wages for the year of those employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. No forfeited contribution under the defined contribution plan is available to reduce the contribution payable in the future years.

### (b) Bonus plans

The Group recognises a liability and an expenses for bonus payments when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

### (c) Employee leave entitlements

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

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

#### (d) Long service payments

The Group accounts for the employer Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") contributions expected to be offset as a deemed employee contribution towards the long service payments obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount 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.

#### 2.19 Revenue recognition

Revenue from the provision of visual, lighting and audio solution services is recognised over time when the services have been rendered. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts and value added taxes.

When the outcome of a contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

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.

### 2.20 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable:

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the then shareholders or directors, where appropriate.

### 2.23 Profit/Loss per share

#### (i) Basic profit/loss per share attributable to owners of the Company

Basic profit/loss per share is calculated by dividing:

• the profit/loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

### (ii) Diluted profit/loss per share

Diluted profit/loss per share adjusts the figures used in the determination of basic profit/loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### 2.24 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 relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### **3** FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

#### (a) Credit risk

The carrying amounts of cash at banks, pledged time deposits, deposits and other receivables, trade and bills receivables and contract assets included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

#### (i) Risk management

The Group's bank balances are deposited in reputable banks with the credit rating ranging from Baa2 to Aa1. As such, no significant credit risk is anticipated.

At 31 December 2024, the Group is exposed to concentration of credit risk to the extent that approximately HK\$5,690,000 (2023: HK\$16,208,000) of trade receivables are attributable by the top five customers. The Group trades only with recognised and creditworthy third parties. Receivables balances are monitored on an ongoing basis in order to minimise the exposure to bad debts.

#### (ii) Impairment of financial assets and contract assets

The Group's trade receivables and contract assets are subject to the expected credit loss model.

While cash and cash equivalents, pledged time deposits, deposits and other receivables and bills receivables are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Cash and cash equivalents and pledged time deposits

Credit risk on cash and cash equivalents and pledged time deposits is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies and therefore no loss allowance was recognised.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

### (a) Credit risk (Continued)

(ii) / Impairment of financial assets and contract assets (Continued)

Deposits and other receivables and bills receivables

For deposits and other receivables and bills receivables, the management makes assessment on the recoverability of deposits and other receivables and bills receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group assessed the expected credit loss for deposits and other receivables and bills receivables are insignificant and thus no loss allowance is recognised.

Trade receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and 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.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

### (a) Credit risk (Continued)

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

Trade receivables and contract assets (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified payment pattern, creditworthiness, the past collection history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments to be most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2024 and 2023 for trade receivables was determined as follows:

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
31 December 2024					
Expected loss rate for trade					
receivables from the PRC					
customers	0.67%	5.71%	16.45%	100%	
Gross carrying amount - trade					
receivables from the PRC					
customers (HK\$'000)	7,086	830	45	577	8,538
Loss allowance (HK\$'000)	48	47		577	679
Expected loss rate for trade					
receivables from Hong Kong					
and Macau customers	0.04%	0.25%	0.60%	100%	
Gross carrying amount – trade					
receivables from Hong					
Kong and Macau customers					
(HK\$'000)	8,816	215		50	9,081
Loss allowance (HK\$'000)	3			50	54
Total loss allowance (HK\$'000)	51	48		627	733
10tai 1055 allowallee (11109 000)			/		

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

### (a) Credit risk (Continued)

### (ii) / Impairment of financial assets (Continued)

Trade receivables and contract assets (Continued)

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
31 December 2023					
Expected loss rate for trade					
receivables from the PRC					
customers	1.02%	3.56%	4.25%	98.49%	
Gross carrying amount – trade					
receivables from the PRC					
customers (HK\$'000)	13,938	1,233	4,073	1,010	20,254
Loss allowance (HK\$'000)	142	44	173	995	1,354
Expected loss rate for trade					
receivables from Hong Kong					
and Macau customers	0.09%	0.35%	0.71%	97.01%	
Gross carrying amount – trade					
receivables from Hong					
Kong and Macau customers					
(HK\$'000)	10,537	1,052	25	72	11,686
Loss allowance (HK\$'000)	9	4	-	70	83
Total loss allowance (HK\$'000)	151	48	173	1,065	1,437

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

### (a) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 December 2024 for contract assets was determined as follows:

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
31 December 2024					
Expected loss rate for contract					
assets from the PRC					
customers	0.67%	5.71%	16.45%	100%	
Gross carrying amount –					
contract assets from the PRC					
customers (HK\$'000)	15,429				15,429
Loss allowance (HK\$'000)	103				103
Expected loss rate for contract					
assets from Hong Kong and					
Macau customers	0.04%	0.25%	0.60%	100%	
Gross carrying amount -					
contract assets from Hong					
Kong and Macau customers					
(HK\$'000)	1,078				1,078
Loss allowance (HK\$'000)					
Total loss allowance (HK\$'000)	103	-	-	-	103

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

### (a) Credit risk (Continued)

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

Trade receivables and contract assets (Continued)

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
31 December 2023					
Expected loss rate for contract					
assets from the PRC					
customers	1.02%	3.56%	4.25%	98.49%	
Gross carrying amount -					
contract assets from the PRC					
customers (HK\$'000)	34,119	-	-	-	34,119
Loss allowance (HK\$'000)	349	-	-	-	349
Expected loss rate for contract					
assets from Hong Kong and					
Macau customers	0.09%	0.35%	0.71%	97.01%	
Gross carrying amount –	010370	0.00070	00/1/0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
contract assets from Hong					
Kong and Macau customers					
	891				891
(HK\$'000)	891	-	-	-	891
Loss allowance (HK\$'000)	1	-	_	_	1
Total loss allowance (HK\$'000)	350	-	-	_	350

Trade receivables and contract assets 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 period beyond normal operating cycle. 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 (Continued)

### 3.1 Financial risk factors (Continued)

#### (b) Market risk

#### (i) Foreign exchange risk

The Group mainly operates in Hong Kong, the PRC and Macau with most of the transactions settled in HK\$, Renminbi ("RMB") and Macau Pataca ("MOP"), functional currencies of the respective operating entities. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to RMB and the foreign exchange risk with MOP is minimal.

Other than certain bank balances, the Group's assets and liabilities are primarily denominated in HK\$, RMB and MOP. The Group generates HK\$, RMB and MOP from sales in Hong Kong, the PRC and Macau respectively to meet its liabilities denominated in HK\$, RMB and MOP. The Group does not hedge its exposure to the foreign currencies.

As at 31 December 2024, there was no pledged time deposit (2023: HK\$4,875,000) and approximately HK\$1,650,000 of bank balances (2023: HK\$1,627,000) denominated in RMB.

As at 31 December 2024, if RMB had weakened/strengthened by 5% against HKD with all other variables held constant, the post-tax loss for the year ended 31 December 2024 would have been HK\$69,000 lower/higher (2023: HK\$271,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of RMB denominated pledged time deposits and cash and cash equivalents.

The Group has certain investments in foreign operations, which net assets are exposed to foreign currency translation risk. The Group recorded other comprehensive expense of currency translation differences of approximately HK\$1,747,000 (2023: HK\$541,000) during the year. Foreign currency denominated inter-company receivables and payables that do not form part of a net investment in a foreign operation are insignificant.

As at 31 December 2024 and 2023, except the pledged time deposits and cash and cash equivalents' foreign exchange risks on financial assets and liabilities denominated in currencies other than functional currencies were insignificant to the Group.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

#### (b) Market risk (Continued)

#### (ii) Cash flow and fair value interest rate risk

Other than the cash at banks and borrowings, the Company has no other significant interestbearing assets or liabilities. The Group's cash at banks carry at low interest rates and the interest income of which is not significant.

The Group's exposure to changes in interest rates was mainly attributable to its borrowings from bank. Bank borrowings of variable rates exposed the Group to cash flow interest rate risk. The Group has not hedged its cash flow interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 23.

At 31 December 2024 and 2023, if interest rates on borrowings at floating rates had been 100 basis points higher/lower with all other variables held constant, the post-tax loss for the year ended 31 December 2024 would increase/decrease by approximately HK\$376,000 (2023: increase/decrease by HK\$635,000).

The Group is also exposed to fair value interest rate risk as a result of loan from third party and loan from a director which are at fixed rate. The Group monitors the related interest rate risk exposure closely.

#### (c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the Group's working capital to ensure that all liabilities due and known funding requirements could be met.

The table below analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the date of the consolidated statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment and no interest payments were included. The maturity analysis for financial liabilities is prepared based on the scheduled repayment dates.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

						Total	
	On	Within	Between	Between	Over	undiscounted	Carrying
	demand	1 year	1 to 2 years	2 to 5 years	5 years	cash flows	amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2024							
Trade and bills payables		44,789				44,789	44,789
Accruals and other payables		8,012				8,012	8,012
Lease liabilities		1,952	240	119		2,311	2,181
Bank borrowings	46,076					46,076	46,076
Loan from a third party		750	750	16,500		18,000	15,000
Loan from a director		133	133	2,914		3,180	2,650
	46,076	55,636	1,123	19,533	-	122,368	118,708
As at 31 December 2023							
Trade and bills payables	-	51,827	-	-	-	51,827	51,827
Accruals and other payables	-	12,585	-	-	-	12,585	12,585
Lease liabilities	-	3,948	4,122	6,972	4,734	19,776	15,607
Bank borrowings	76,096	/	-	-	-	76,096	76,096
Loan from a third party	-	750	750	17,250	-	18,750	15,000
Loan from a director	-	133	2,783	-	-	2,916	2,650
	76,096	69,243	7,655	24,222	4,734	181,950	173,765

The table below summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates or if floating, based on the current rates at the period-end date. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis contained in the above table. Taking into account the Group's financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

The maturity analysis for the bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements without taking into account of repayment on demand clause.

	Maturity analysis – Bank borrowings and interest payable without taking into account of repayment on demand clause of certain bank borrowings, based on scheduled repayments					
	Within 1 year HK\$'000	<b>1 to 2 years</b> HK\$'000	<b>2 to 5 years</b> HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
As at 31 December 2024	44,970	1,114	1,419	1,559	49,062	46,076
As at 31 December 2023	70,321	7,936	2,375	2,069	82,701	76,096

#### 3.2 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 shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debt.

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity attributable to owners of the Company plus net debt. Net debt is calculated as total borrowings and lease liabilities (including current and non-current portions as shown in the consolidated statements of financial position) less cash and cash equivalents and pledged time deposits.

	Year ended 31 December		
	2024 HK\$'000	2023 HK\$'000	
Borrowings	63,726	93,746	
Lease liabilities	2,181	15,607	
Less:			
Cash and cash equivalents	(12,464)	(7,344)	
Pledged time deposits	(36,000)	(61,000)	
Net debt	17,443	41,009	
Total equity attributable to owners of the Company	58,368	58,353	
Gearing ratio	23.0%	41.3%	

There were no changes in the Group's approach to capital management during the years ended 31 December 2024 and 2023.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires of the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Impairment of trade receivables and contract assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(a).

### 5 SEGMENT INFORMATION

The Board has been identified as the chief operating decision makers.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group provides visual, lighting and audio solution services. The resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

The Group's chief operating decision makers consider that the performance assessment of the Group should be based on the profit or loss before income tax of the Group as a whole. Accordingly, the management considers there is only one operating segment.

### 5 SEGMENT INFORMATION (Continued)

(a) Revenue based on the geographic location that the Group derives revenue from customers as follows:

	Year ended 3	Year ended 31 December		
	2024	2023		
	HK\$'000	HK\$'000		
Hong Kong	83,726	64,155		
The PRC	42,161	74,929		
Macau	-	159		
	125,887	139,243		

(b) Revenue individually generated from the following customer contributed more than 10% of the total revenue of the Group:

	Year ended 31 December		
	2024 HK\$'000	2023 HK\$'000	
Customer A	16,903	44,269	

(c) The non-current assets are allocated based on the physical location of the assets as below:

	As at 31 December		
	2024 HK\$'000	2023 HK\$'000	
Hong Kong The PRC Macau	91,408 1,372 -	88,820 13,333 43	
Total non-current assets per consolidated statement of financial position	92,780	102,196	

### 6 **REVENUE AND OTHER INCOME**

Revenue represents the net invoiced value of services rendered, after allowances for trade discounts. The Group's revenue recognised are as follows:

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Revenue from services	125,887	139,243

The performance obligation is satisfied when services are rendered. The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are all expected to be recognised within one year.

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Government grants	351	154
Sundry income	27	-
	378	154

There are no unfulfilled conditions or other contingencies attaching to the government grants.

### 7 OTHER GAINS, NET

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Exchange differences – net	71	352
Gain on lease termination	1,153	186
Gains/(Losses) on disposals of property, plant and equipment	123	(323)
	1,347	215

### 8 EXPENSES BY NATURE

Year ended 31 December		
2024	2023	
HK\$'000	HK\$'000	
700	700	
17,247	27,038	
3,746	5,342	
48,532	53,052	
1,522	1,394	
4,377	4,980	
775	811	
4,645	5,417	
30,216	37,291	
3,767	3,360	
6,482	8,078	
122.000	147,463	
	2024 HK\$'000 17,247 3,746 48,532 1,522 4,377 775 4,645 30,216 3,767	

### 9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended	Year ended 31 December		
	2024 HK\$'000	2023 HK\$'000		
Wages, salaries and bonus	41,477	45,210		
Pension costs – defined contribution plans	3,827	4,123		
Other staff welfare and benefit	3,228	3,719		
	48,532	53,052		

### 9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### Five highest paid individuals

For the year ended 31 December 2024, the five individuals whose emoluments were the highest in the Group included two (2023: three) directors, whose emoluments were reflected in Note 31. The emoluments paid to the remaining three (2023: two) individuals, are as follows:

	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000
Salaries, allowance and benefits in kind Bonus Pension costs – defined contribution plans	2,101 - 36	1,305 110 36
	2,137	1,451

The emoluments of the remaining individuals fell within the following bands:

	Year ended 31 December	
	2024 Number of individuals	2023 Number of individuals
Nil – HK\$1,000,000	3	2

### **10** FINANCE INCOME AND EXPENSES

	Year ended 31 I	Year ended 31 December		
	2024 HK\$'000	2023 HK\$'000		
Interest income				
– Bank interest income	2,335	2,227		
Finance income	2,335	2,227		
Interest expenses				
– Lease liabilities	(1,171)	(1,460)		
– Borrowings	(6,668)	(7,596)		
Finance expenses	(7,839)	(9,056)		
Finance expenses – net	(5,504)	(6,829)		

### **11 SUBSIDIARIES**

Particulars of all subsidiaries at 31 December 2024 and 2023 were as follows:

			Particulars of	Р	Percentage of equity attributable		
			issued share		to the Co	mpany	
	Place of incorporation	Principal activities	capital/registered	Dir	rect	Indi	rect
Name of entity	and kind of legal entity	and place of operation	capital	2024	2023	2024	2023
AVP (Macau) Investment Limited	BVI, limited liability company	Investment holding in BVI	US\$1	100%	100%	-	
AVP (BVI) Limited	BVI, limited liability company	Investment holding in BVI	US\$1	100%	100%	-	-
AV Promotions (BVI) Limited	BVI, limited liability company	Investment holding in BVI	US\$100	100%	100%	-	
AVP (Macao) Limited	Macau, limited liability company	Provision of visual, lighting and audio solution services in Macau	MOP300,000	-	-	100%	100%
AV Promotions Limited	Hong Kong, limited liability company	Provision of visual, lighting and audio solution services in Hong Kong	HK\$5,009,500	-	-	100%	100%
AV Cultural Promotions Limited	Hong Kong, limited liability company	Provision of visual, lighting and audio solution services in Hong Kong	HK\$10,000	-	-	55%	55%
上海奧維舞台設備 有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB50,000,000	-	-	100%	100%
廣州市艾維展覽服務 有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB1,000,000	-	-	100%	100%
上海奧高舞台設備 有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB5,000,000	-		100%	100%

Note:

(a) None of the subsidiaries had issued any listed securities at the end of the reporting period. The Group had no subsidiaries which have material non-controlling interests for the years ended 31 December 2024 and 2023.

### 12 INCOME TAX CREDIT

The amount of taxation credited/(charged) to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Over provision in prior years		
– The PRC	1,030	385
Deferred income tax (Note 16)	(283)	2,856
Income tax credit	747	3,241

Pursuant to the enactment of two-tiered profit tax rates issued by the Inland Revenue Department ("IRD") of Hong Kong from the year of assessment 2018/19 onwards, the Group's first HK\$2 million of assessable profits under Hong Kong profits tax for the years ended 31 December 2024 and 2023 is subject to a tax rate of 8.25%, while the remaining assessable profits are subject to a tax rate of 16.5%. No provision for Hong Kong Profit Tax has been made as the Group did not generate any assessable profits during the year (2023: Nil).

PRC Enterprise Income Tax has been provided at the rate of 25% (2023: 25%) on the estimated assessable profits for the year ended 31 December 2024.

Macau complementary tax has been provided at the rate of 12% (2023: 12%) on the estimated assessable profits exceeding MOP600,000 (2023: MOP600,000) during the year ended 31 December 2024.

### 12 INCOME TAX CREDIT (Continued)

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the domestic income tax rate applicable to profits of the Group's entities as follows:

	Year ended 31	Year ended 31 December	
	2024 HK\$'000	2023 HK\$'000	
Profit/(Loss) before income tax	1,011	(15,613)	
Tax calculated at domestic tax rate in the respective countries	409	(2,042)	
Over provision in prior years	(1,030)	(385)	
Expenses not deductible for tax purposes	53	229	
Income not subject to taxation	(5)	(12)	
Utilisation of previous year unrecognised tax loss	(266)	(1,041)	
Tax effect of tax losses not recognised	92	-	
Others	-	10	
	(747)	(3,241)	

### 13 BASIC AND DILUTED PROFIT/(LOSS) PER SHARE

#### (a) Basic

The basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended 31 December	
	2024	2023
Profit/(Loss) attributable to owners of the Company (HK\$'000)	1,762	(12,369)
Weighted average number of shares in issue (thousands shares)	400,000	400,000
Basic profit/(loss) per share (HK cents)	0.44	(3.09)

#### (b) Diluted

Diluted profit/(loss) per share presented is the same as the basic profit/(loss) per share as there were no dilutive potential ordinary share outstanding as at 31 December 2024 and 2023.

### 14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	<b>Total</b> HK\$'000
Year ended 31 December 2023					
	225	102 175	441	072	104.014
Opening net book value Additions	335	103,165	441 475	973 84	104,914
	1,888	6,366 (25,770)			8,813
Depreciation	(363)	(25,779)	(192)	(704)	(27,038)
Disposals	(326)			(72)	(398)
Currency translation difference	(4)	-	(11)	(8)	(23)
Closing net book value	1,530	83,752	713	273	86,268
At 31 December 2023					
Cost	2 522	222 215	2 0 9 1	2.049	240.966
	2,522 (992)	232,315	3,081	2,948	240,866
Accumulated depreciation and impairment	(992)	(148,563)	(2,368)	(2,675)	(154,598)
Net book value	1,530	83,752	713	273	86,268
Year ended 31 December 2024					
Opening net book value	1,530	83,752	713	273	86,268
Additions		20,602	48	350	21,000
Depreciation	(517)	(16,429)	(193)	(108)	(17,247)
Disposals	-		(11)		(11)
Currency translation difference	(21)		(13)	(14)	(48)
Closing net book value	992	87,925	544	501	89,962
		07,923	544	501	09,902
At 31 December 2024					
Cost	1,939	208,041	2,740	3,125	215,845
Accumulated depreciation and impairment	(947)	(120,116)	(2,196)	(2,624)	(125,883)
Net book value	992	87,925	544	501	89,962

### 14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of approximately HK\$16,429,000 (2023: HK\$26,395,000) and approximately HK\$818,000 (2023: HK\$643,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2024.

As at 31 December 2023, due to the unstable economic conditions may have an adverse effect on the CGUs "Provision of visual, lighting and audio solutions services in Hong Kong and Macau (CGU1)" and "Provision of visual, lighting and audio solutions services in the PRC (CGU2)", the management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of the property, plant and equipment and right-of-use assets attributable to the CGUs. The recoverable amount of the CGUs has been determined based on a value-in-use calculation. That calculation used a cash flow projections based on financial budgets approved by the management of the respective CGUs covering the next 5 years with a pre-tax discount rate of approximately 10.3% and approximately 18.5% for CGU1 and CGU2 respectively. The annual growth rate for the next 5 years used is 3.0% and 4.6% which are based on the economic growth forecast for CGU1 and CGU2 respectively. As at 31 December 2023, based on the result of the assessment, management of the Group determined that the recoverable amount of the CGUs are higher than the carrying amount. No impairment loss on both property, plant and equipment and right-of-use assets had recognised during the period.

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee.

#### (i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 HK\$'000	2023 HK\$'000
Right-of-use assets		
Properties	1,724	14,473
Machinery and equipment		408
Motor vehicle	390	
	2,114	14,881
Lease liabilities (Note (v))		
Current portion	1,843	2,769
Non-current portion	338	12,838
	2,181	15,607

Additions to the right-of-use assets during the year ended 31 December 2024 were approximately HK\$400,000 (2023: HK\$17,438,000).

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (ii) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2024 HK\$'000	2023 HK\$'000
Depreciation charge of right-of-use assets (Note (a))		
Properties	3,333	3,700
Machinery and equipment	403	1,642
Motor vehicle	10	-
	3,746	5,342
		1.460
Interest expense (included in finance expenses)	1,171	1,460
Expense relating to short-term leases (Note (b))		
– Premises (Note (c))	195	1,486
<ul> <li>Machinery and equipment</li> </ul>	30,021	35,805
	30,216	37,291

During the year ended 31 December 2024, the Group recognised a gain on early termination on lease approximately HK\$1,153,000 (2023: gain on early termination on lease HK\$186,000).

The total cash outflow for leases during the year ended 31 December 2024 was approximately HK\$34,151,000 (2023: HK\$41,201,000).

#### Notes:

- (a) Depreciation charge of approximately HK\$3,507,000 (2023: HK\$4,679,000) and approximately HK\$239,000 (2023: HK\$663,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2024.
- (b) Expense relating to short-term leases of approximately HK\$30,098,000 (2023: HK\$36,839,000) and approximately HK\$118,000 (2023: HK\$452,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2024.
- (c) As at 31 December 2024, the outstanding lease commitments relating to the premises is approximately HK\$10,000 (2023: HK\$27,000).

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (iii) The Group's leasing activities and how these are accounted for

The Group leases various premises, machinery and equipment and motor vehicle. Rental contracts are typically made for fixed periods of 1 month to 3.6 years. 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.

#### (iv) Extension and termination options

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

#### (v) Maturity analysis of lease liabilities

Lease liabilities payable:

	As at 31 December		
	2024	2023	
	HK\$'000	HK\$'000	
Within one year	1,843	2,769	
Between one to two years	226	3,205	
Between two to five years	112	5,266	
Over five years	-	4,367	
	2,181	15,607	
Less: Current portion	(338)	(2,769)	
Non-current portion of lease liabilities	1,843	12,838	

The incremental borrowing rates applied to lease liabilities ranged from 9.5% to 9.8% (2023: from 6.0% to 9.5%).

### **16 DEFERRED INCOME TAX**

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

#### (i) Deferred tax assets

		2024 HK\$'000	2023 HK\$'000
The balance comprises temporary differences attributa	ble to:		
Lease liabilities		-	2,891
Tax losses		8,951	7,974
Total deferred tax assets		8,951	10,865
Set-off of deferred tax liabilities pursuant to set-off pro-	visions	(8,951)	(10,865)
Net deferred tax assets		-	-
Movements	Tax losses	Lease liabilities	Total
Movements	Tax losses HK\$'000	Lease liabilities HK\$'000	<b>Total</b> HK\$'000
Movements			
Movements At 1 January 2023 Credited to the consolidated statement of	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 Credited to the consolidated statement of	HK\$'000 7,834	HK\$'000 1,112	HK\$'000 8,946
At 1 January 2023 Credited to the consolidated statement of profit or loss	HK\$'000 7,834	HK\$'000 1,112	HK\$'000 8,946
At 1 January 2023 Credited to the consolidated statement of	HK\$'000 7,834 140	HK\$'000 1,112 1,779	HK\$'000 8,946 1,919
At 1 January 2023 Credited to the consolidated statement of profit or loss At 31 December 2023 and 1 January 2024	HK\$'000 7,834 140	HK\$'000 1,112 1,779	HK\$'000 8,946 1,919
At 1 January 2023 Credited to the consolidated statement of profit or loss At 31 December 2023 and 1 January 2024 Credited/(Charged) to the consolidated statement of	HK\$'000 7,834 140 7,974	HK\$'000 1,112 1,779 2,891	HK\$'000 8,946 1,919 10,865

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$11,383,000 for the year ended 31 December 2024 (2023: HK\$6,302,000) in respect of tax losses amounting to approximately HK\$45,870,000 (2023: HK\$25,208,000). Unrecognised tax losses will expire at various dates up to and including 2028.

### 16 DEFERRED INCOME TAX (Continued)

#### (ii) Deferred tax liabilities

		2024	2023
		HK\$'000	HK\$'000
The balance comprises temporary differences attributa	able to:		
Accelerated tax depreciation	doie to.	11,642	10,382
Right-of-use assets		-	2,891
			2,071
Total deferred tax liabilities		11,642	13,273
Set-off of deferred tax liabilities pursuant to set-off pro	wisions	(8,951)	(10,865)
set-on of deferred tax habilities pursuant to set-on pre	JV1310113	(0,731)	(10,003)
Net deferred tax liabilities		<b>a</b> (01	2 100
Net deferred tax hadilities		2,691	2,408
	Accelerated tax	Right-of-use	
Movement	depreciation	assets	Total
wovement	HK\$'000	HK\$'000	HK\$'000
	11K\$ 000	11K\$ 000	11K\$ 000
At 1 January 2023	13,098	1,112	14,210
(Credited)/Charged to the consolidated statement of	13,098	1,112	14,210
profit or loss	(2,716)	1,779	(937)
	(=,:-=;)	_,	()
At 31 December 2023 and 1 January 2024	10,382	2,891	13,273
Charged/(Credited) to the consolidated statement of	10,502	2,071	10,270
profit or loss	1,260	(2,891)	(1,631)
Prom or 1000			(1,031)
At 31 December 2024	11,642		11,642

As at 31 December 2024, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's foreign-invested enterprises in the PRC as the Company controls the dividend policy of these foreign-invested enterprises and it is probable that such differences will not be reversed in the foreseeable future (2023: Nil). As at 31 December 2024, deferred income tax liabilities of approximately HK\$3,417,000 (2023: HK\$3,313,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of the PRC subsidiaries. Such amounts are permanently reinvested and the unremitted earnings are approximately HK\$68,332,000 at 31 December 2024 (2023: HK\$66,269,000).

### 17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Financial assets as per consolidated statements of financial position		
Financial assets at amortised cost:		
– Trade and bills receivables	17,765	30,503
- Deposits and other receivables	1,095	1,714
- Pledged time deposits	36,000	61,000
- Cash and cash equivalents	12,464	7,344
Total	67,324	100,561

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Financial liabilities as per consolidated statements of financial position		
Financial liabilities at amortised cost:		
– Trade and bills payables	44,789	51,827
- Accruals and other payables	8,012	12,585
- Borrowings	63,726	93,746
– Lease liabilities	2,181	15,607
Total	118,708	173,765

At the end of each of the reporting period, the Group has no financial instruments measured at fair value subsequent to initial recognition on a recurring basis. During the years ended 31 December 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

### 18 TRADE, BILLS AND OTHER RECEIVABLES

	As at 31 Dec	As at 31 December	
	2024	2023	
	HK\$'000	HK\$'000	
Trade receivables	17,619	31,940	
Bills receivables	879	- 1	
Loss allowance	(733)	(1,437)	
Trade and bills receivables, net of provision	17,765	30,503	
Rental deposits	671	706	
Other deposits	176	739	
Prepayments	8,495	4,513	
Other receivables	248	269	
Total prepayments, deposits and other receivables	9,590	6,227	
Less: Non-current portion	(704)	(1,047)	
Current portion of prepayments, deposits and other receivables	8,886	5,180	
Total trade, bills and other receivables	27,355	36,730	

The carrying amounts of trade and bills receivables, deposits and other receivables approximate their fair values.

### 18 TRADE, BILLS AND OTHER RECEIVABLES (Continued)

The carrying amounts of the trade, bills and other receivables are denominated in the following currencies:

		As at 31 December	
	2024	2023	
	HK\$'000	HK\$'000	
RMB	16,591	23,258	
HK\$	10,754	13,446	
MOP	10	26	
	27,355	36,730	

#### Trade receivables

The Group's trade receivables are with credit term of 90 days. All bills received by the Group are with a maturity period of less than one year. An aged analysis of trade receivables, which is net of allowance for credit losses (excluding bills held by the Group for future settlement) and presented based on the invoice date at the end of the reporting period, is as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Up to 3 months	15,851	24,323
3 to 6 months	997	2,238
Over 6 months	38	3,942
	16,886	30,503

### **18 TRADE, BILLS AND OTHER RECEIVABLES (Continued)**

### Trade receivables (Continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the days past due. See Note 3.1(a) for further information about expected credit loss provision.

The maximum exposure to credit risk at the reporting date is the carrying amount of receivables mentioned above. The Group does not hold any collateral as security. As at 31 December 2024, trade receivables of approximately HK\$733,000 (2023: HK\$1,437,000) are impaired and have been provided for. See Note 3.1(a) for information of trade receivables and the Group's exposure to credit risk.

Movement on the provision for impairment of trade receivables is as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
At beginning of the year	1,437	315
(Reversal)/Provision of impairment losses for the year	(672)	1,135
Currency translation difference	(32)	(13)
		X IF
At end of the year	733	1,437

### **19 CASH AND BANK BALANCES AND PLEDGED TIME DEPOSITS**

#### (a) Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	As at 31 I	As at 31 December	
	2024 HK\$'000	2023 HK\$'000	
Cash at bank and on hand	12,464	7,344	

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
HK\$	2,594	3,305
RMB	9,051	2,920
USD	780	1
MOP	39	1,115
Others	-	3
	12,464	7,344

The Group's bank balances are deposits with creditworthy banks with no recent history of default. The weighted effective interest rate on bank balances was 0.31% (2023: 1.27%).

The Group's certain bank balances and deposits of approximately HK\$7,401,000 (2023: HK\$1,293,000) denominated in RMB are deposited in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

#### (b) Pledged time deposits

As at 31 December 2024, current pledged bank deposit of approximately HK\$36,000,000 (2023: HK\$61,000,000) were held at bank as security for short term bank borrowings (Note 23(a)). The weighted effective interest rate on these deposits was 6.37% (2023: 3.49%). Pledged bank deposits were denominated in HK\$ and USD and deposited with creditworthy banks with no recent history of default.

### 20 SHARE CAPITAL AND SHARE PREMIUM

Authorised ordinary shares:

21

		Number of shares	Nominal value of ordinary shares HK\$'000
At 31 December 2023, 1 January 2024 and 31 December 2024		2,000,000,000	20,000
Ordinary shares, issued and fully paid:			
	Number of Shares	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000
At 31 December 2023, 1 January 2024 and 31 December 2024	400,000,000	4,000	41,901
OTHER RESERVES			
The Group			
	Exchange reserve HK\$'000	Other reserves (Note) HK\$'000	<b>Total</b> HK\$'000
As at 1 January 2023	827	5,314	6,141
Other comprehensive expense Currency translation differences	(541)		(541)
Total comprehensive expense	(541)	_	(541)
As at 31 December 2023 and 1 January 2024	286	5,314	5,600
Other comprehensive expense Currency translation differences	(1,747)		(1,747)
Total comprehensive expense	(1,747)		(1,747)
	(1,461)	5,314	3,853

Note: Other reserves of the Group represented the difference between share capital of the Company and combined capital of the group subsidiaries comprising the Group.

### 22 TRADE, BILLS AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade and bills payables	44,789	51,827
Accrual expenses	7,738	11,470
Other payables	274	1,115
Contract liabilities	168	884
Accruals and other payables	8,180	13,469
Total	52,969	65,296

Trade and bills payables are usually paid within 90 days of recognition.

The carrying amounts of trade, bills and other payables approximate their fair values and are denominated in the following currencies:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
HK\$	37,339	41,955
RMB	14,220	21,121
USD	1,291	1,895
МОР	119	325
	52,969	65,296

### 22 TRADE, BILLS AND OTHER PAYABLES (Continued)

As at 31 December 2024 and 2023, the Group's ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 31 l	As at 31 December	
	2024 HK\$'000	2023 HK\$'000	
Up to 3 months	35,968	43,478	
3 to 6 months	2,415	1,742	
Over 6 months	6,406	6,607	
	44,789	51,827	

### 23 BORROWINGS

	As at 31 December		
	2024	2023	
	HK\$'000	HK\$'000	
Current			
Bank borrowings (Note (a))	46,076	76,096	
Non-current			
Loan from a third party (Note (b))	15,000	15,000	
Loan from a director (Note (c))	2,650	2,650	
	63,726	93,746	

#### (a) Bank borrowings

At 31 December 2024, bank borrowings of approximately HK\$35,432,000 and approximately HK\$10,644,000 which were denominated in HK\$ and RMB respectively (2023: All were denominated in HK\$). They were secured by pledged time deposits of approximately HK\$36,000,000 (2023: HK\$61,000,000) (Note 19(b)) and the Company's corporate guarantee. These bank borrowings carried floating rate at HIBOR plus a margin per annum. The weighted effective interest rate on these bank borrowings were 6.5% (2023: 8.7%). Certain of the Group's bank borrowings with carrying amounts of HK\$5,724,000 (2023: HK\$15,384,000) is attached with financial covenant which require that at any time, the Group's consolidated tangible net worth is not less than certain required levels. During the year, the covenant has been complied with by the Group.

### 23 BORROWINGS (Continued)

### (a) Bank borrowings (Continued)

The Group's bank borrowings were repayable as follows:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Within one year	46,076	76,096

The Group's bank borrowings were repayable, without taking into account of the repayable on demand clause of certain bank borrowings, as follows:

	As at 31 December		
	2024	2023	
	HK\$'000	HK\$'000	
Within one year	42,233	64,705	
Between one to two years	1,046	7,302	
Between two to five years	1,333	2,185	
Over five years	1,464	1,904	
	46,076	76,096	

The Group has the following undrawn bank borrowing facilities:

	As at 31 December	
	2024 HK\$'000	2023 HK\$'000
Floating rate:		
– Expiring within one year	3,066	2,072

### 23 BORROWINGS (Continued)

#### (b) Loan from a third party

On 27 December 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with a third party with a principal of HK\$38,000,000, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. As at 23 December 2022, the subsidiary entered into a supplemental loan agreement with the third party to extend the maturity date from 27 December 2023 to 27 December 2028. As at 31 December 2024, the outstanding loan amount was HK\$15,000,000 (2023: HK\$15,000,000).

#### (c) Loan from a director

On 25 December 2023, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with an executive director, Mr. Wong Man Por, with a principal of HK\$2,650,000, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 31 December 2025. As at 23 December 2024, the subsidiary entered into a supplemental loan agreement with the director to extend the maturity date from 31 December 2025 to 31 December 2028.

### 24 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group recognised the following assets and liabilities related to contracts with customers:

	As at 31 Dec	As at 31 December		
	2024 HK\$'000	2023 HK\$'000		
Contract assets relating to provision of services Loss allowance	16,507 (103)	35,010 (350)		
Total contract assets	16,404	34,660		
Contract liabilities relating to provision of services	168	884		

### 24 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS (Continued)

Increase in contract assets was mainly due to the increase in number of events undertaken at the year end. The services have been partially provided but not been completed as at end of the reporting period and which represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional.

Contract liabilities included in accruals and other payables amounted to approximately HK\$168,000 (2023: HK\$884,000).

Revenue recognised during year ended 31 December 2024 that was included in the contract liabilities balance at the beginning of the year was approximately HK\$884,000 (2023: HK\$163,000).

Movement on the provision for impairment of contract assets is as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
At beginning of the year	350	566
Reversal of impairment losses for the year	(240)	(202)
Currency translation differences	(7)	(14)
At end of the year	103	350

### 25 CASH FLOW INFORMATION

### Net debt reconciliation

This section sets out the movement of liabilities from financing activities for the years ended 31 December 2024 and 2023.

	Liabilities from financing activities				es	
	Lease	Interest	Bank	Loan from a	Loan from a	
lia	bilities	payable	borrowings	third party	director	Total
Н	K\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
anuary 2023	2,577	1,545	81,617	15,000	-	100,739
						$\rightarrow$
n-interest cost	-	9,056	-	-	-	9,056
WS	(2,450)	(8,960)	(5,521)	-	2,650	(14,281)
ion – lease	17,438	-	-	-	-	17,438
mination	(1,843)	-	-	—	-	(1,843)
y translation						
ences	(115)	-	-	-	-	(115)
as at						
cember 2023 and						
ary 2024	15,607	1,641	76,096	15,000	2,650	110,994
n-interest cost		7,839				7,839
ws	(2,764)	(8,063)	(29,797)			(40,624)
ion – lease	255					255
mination (	(10,758)					(10,758)
y translation						
ences	(159)		(223)			(382)
as at						
cember 2024	2,181	1,417	46,076	15,000	2,650	67,324
cember 2024	2,181	1,417	46,076	15,000	2,650	

### 26 DIVIDENDS

No dividend has been paid or declared by the Company in respect of the years ended 31 December 2024 and 2023.

### 27 COMMITMENTS

The Group had no capital commitment as at 31 December 2024 and 2023.

### **28 CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 December 2024 and 2023.

### 29 RELATED PARTY TRANSACTIONS

(a) In addition to those disclosed elsewhere in the consolidated financial statements, the directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the years ended 31 December 2024 and 2023:

Name of the related party	Relationship with the Group
Mr. MP Wong	Executive director and the ultimate controlling shareholder of the Company

#### (b) Key management compensation

Key management include executive directors and management of the Group. The compensation paid or payable to key management for employee services is shown below:

	For the year end	For the year ended 31 December	
	2024	2023	
	HK\$'000	HK\$'000	
Salaries and other short-term employee benefits	5,428	5,956	
Pension costs – defined contribution plans	54	54	
	5,482	6,010	

#### (c) Transactions with related parties

	2024 HK\$'000	2023 HK\$'000
Mr. MP Wong		
Interest expense	133	3

# **30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY**

		As at 31 December 2024	As at 31 December 2023
	Notes	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Investments in subsidiaries		30,843	30,843
		30,843	30,843
Current assets			
Prepayment		104	86
Amount due from a subsidiary		14,844	15,892
Cash and cash equivalents		27	27
		14,975	16,005
Total assets		45,818	46,848
	/		
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		4,000	4,000
Other reserve	(a)	72,744	72,744
Accumulated losses	(a)	(31,940)	(31,239)
Total equity		44,804	45,505
Current liabilities			
Accruals and other payables		134	463
Amounts due to subsidiaries		880	880
Total liabilities		1,014	1,343
Total equity and liabilities		45,818	46,848

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2025 and was signed on its behalf by:

**Wong Man Por** *Chairman and Executive Director*  Wong Chi Bor Executive Director

# **30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)**

### (a) Reserve movement of the Company

	Accumulated losses HK\$'000	Other reserve HK\$'000
	(22.1.(5))	50 544
As at 1 January 2023	(30,165)	72,744
Loss for the year	(1,074)	-
As at 31 December 2023 and 1 January 2024	(31,239)	72,744
Loss for the year	(701)	
As at 31 December 2024	(31,940)	72,744

### 31 BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

The emoluments of the directors of the Company paid or payable by the Group is set out below:

### For the year ended 31 December 2024

		Emoluments paid o				ſ,	
		whether	of the Company or	its subsidiaries un	dertaking		
						Other	
						emoluments	
						paid or	
						receivable in	
						respect of	
						director's other	
						services in	
						connection with	
					<b>Employer's</b>	the management	
					contribution to	of the affairs	
				Allowances	a retirement	of the Company	
			Discretionary	and benefits	benefit scheme	or its subsidiary	
Name	Fee	Salary	bonuses	in kind	contributions	undertaking	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors							
Mr. MP Wong (Note (a))		1,200		1,200			2,400
Mr. CB Wong (Note (b))		900			18		918
Mr. HP Wong (Note (c))				27			27
	-	2,100	-	1,227	18	-	3,345
Independent non-executive directors							
Mr. Cheung Wai Lun Jacky (Note (d))	120						120
Mr. Chan Wing Kee	120						120
Dr. Leung Wai Cheung	120						120
Ms. Soon Yuk Tai (Note (e))	_						
	360		-	-	-	-	360

### 31 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (a) Directors' emoluments (Continued)

For the year ended 31 December 2023

	whether of the Company or its subsidiaries undertaking						
	Other						
						emoluments	
						paid or	
						receivable in	
						respect of	
						director's other	
						services in	
						connection with	
					Employer's	the management	
					contribution to	of the affairs	
				Allowances	a retirement	of the Company	
			Discretionary	and benefits	benefit scheme	or its subsidiary	
Name	Fee	Salary	bonuses	in kind	contributions	undertaking	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
n et lite							
Executive directors		1 200		1 200			2.400
Mr. MP Wong (Note (a))	-	1,200	-	1,200	-	-	2,400
Mr. CB Wong (Note (b))	-	890	75	-	18	-	983
Mr. HP Wong (Note (c))	-	452	-	332	-	-	784
	-	2,542	75	1,532	18	-	4,167
Independent non-executive directors							
Mr. Cheung Wai Lun Jacky	120	-	-	-	-	-	120
Mr. Chan Wing Kee	120	-		-	-	-	120
Dr. Leung Wai Cheung	120	-	-	-	-	-	120
	360	_	-	-	_	-	360

Emoluments paid or receivable in respect of a person's services as a director,

#### Notes:

(a) Mr. MP Wong is also the director of certain subsidiaries of the Company and the Group paid emoluments to him in his capacity as the directors to those subsidiaries of the Company.

(b) Mr. CB Wong is also the director of certain subsidiaries of the Company and the Group paid emoluments to him in his capacity as the directors to those subsidiaries of the Company.

(c) Mr. HP Wong resigned as an executive director of the Company with effect from 1 March 2024.

(d) Mr. Cheung Wai Lun Jacky resigned as an independent non-executive director of the Company with effect from 31 December 2024.

(e) Ms. Soon Yuk Tai was appointed as an independent non-executive director of the Company with effect from 31 December 2024.

### 31 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors during the year ended 31 December 2024 (2023: Nil) by a defined benefit pension plan operated by the Group in respect of their other services in connection with the management of the affairs of the company or its subsidiary undertaking.

#### (c) Directors' termination benefits

No payment was made to any directors as compensation for the termination of the appointment during the year ended 31 December 2024 (2023: Nil).

#### (d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of any directors for making available the services of them as a director of the Company during the year ended 31 December 2024 (2023: Nil).

# (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

In addition to those disclosed elsewhere in the consolidated financial statements, there are no loans, quasi loans and other dealing in favour of directors, controlling bodies corporate by and connected entities with such directors during the year ended 31 December 2024 (2023: Nil).

#### (f) Directors' material interests in transactions, arrangements or contracts

In addition to those disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024 (2023: Nil).

#### (g) Director's inducement benefits

No remuneration was paid to any directors as an inducement to join or upon joining the Group during the year ended 31 December 2024.

#### (h) Arrangement to waive directors' remuneration

There was no arrangement in which any director has waived any emolument during the year ended 31 December 2024.

# FINANCIAL SUMMARY

### RESULTS

	For the year ended 31 December					
	2024	2023	2022	2021	2020	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Revenue	125,887	139,243	94,374	166,593	123,261	
Cost of services	(95,640)	(117,468)	(111,998)	(140,668)	(83,985)	
Gross profit/(loss)	30,247	21,775	(17,624)	25,925	39,276	
Profit/(Loss) for the year	1,758	(12,372)	(53,529)	(9,723)	7,146	

### ASSETS AND LIABILITIES

	As at 31 December					
	2024	2023	2022	2021	2020	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Non-current assets	92,780	102,196	109,513	120,925	100,387	
Current assets	91,519	138,687	136,644	182,533	197,269	
Non-current liabilities	20,679	32,896	20,824	33,374	28,890	
Current liabilities	105,259	149,637	154,070	140,955	134,717	
Net current (liabilities)/assets	(13,740)	(10,950)	(17,426)	41,578	62,552	
Net assets	58,361	58,350	71,263	129,129	134,049	

The summary above does not form part of the audited consolidated financial statements.