

DT CAPITAL



DT CAPITAL LIMITED

鼎立資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 356



2023
ANNUAL REPORT

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Leong Chi Wai

Mr. Lewis Chan

Mr. Su Chunxiang

Non-executive Directors

Ms. Chan Pui Kwan (*Chairman*)

Mr. Lam Chi Keung (Resigned on 20 March 2024)

Independent Non-executive Directors

Mr. Chen Yeung Tak

Mr. Jochum Siebren Haakma

Mr. Tang Chin Ting (Appointed on 13 October 2023)

Mr. Leung Ka Kui (Resigned on 11 August 2023)

Audit Committee

Mr. Chen Yeung Tak

(Chairman of Audit Committee)

Mr. Jochum Siebren Haakma

Mr. Tang Chin Ting (Appointed on 13 October 2023)

Mr. Leung Ka Kui (Resigned on 11 August 2023)

Remuneration Committee

Mr. Chen Yeung Tak

(Chairman of Remuneration Committee)

Mr. Jochum Siebren Haakma

Mr. Tang Chin Ting (Appointed on 13 October 2023)

Mr. Leung Ka Kui (Resigned on 11 August 2023)

Nomination Committee

Mr. Tang Chin Ting

(Chairman of Nomination Committee)

(Appointed on 13 October 2023)

Mr. Chen Yeung Tak

Mr. Jochum Siebren Haakma

Mr. Leung Ka Kui (Resigned on 11 August 2023)

Company Secretary

Mr. Ho Kim Fung

Authorized Representatives

Ms. Chan Pui Kwan

Mr. Ho Kim Fung

Auditor

WM CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

Principal Bankers

DBS Bank (Hong Kong) Limited

Industrial and Commercial Bank of
China (Asia) Limited

Luso International Banking Limited

Registered Office

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of Business

Unit D, 6th Floor, Eton Building

288 Des Voeux Road Central

Hong Kong

CORPORATE INFORMATION (CONTINUED)

Principal Registrar

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3

Building D

P.O. Box 1586

Gardenia Court

Camana Bay

Grand Cayman KY1-1100

Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Stock Code

356

Company Website Address

www.dt-capitalhk.com

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2023 (the "Reporting Period"), DT Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") recorded loss attributable to equity holders of the Company of approximately HK\$28.3 million (2022: HK\$24.1 million). The loss per share was HK\$0.0104 (2022: HK\$0.0088). Increase in loss in 2023 was mainly caused by an increase in the realised and unrealised losses on listed and unlisted securities of approximately HK\$2.7 million compared with 2022. In addition, there were no bank interest expenses in 2022 and 2023.

The stock market was fluctuating in 2023 that led to the Group's unrealised fair value losses on listed securities of approximately HK\$16.74 million (2022: HK\$9.71 million) and realised losses on listed securities of approximately HK\$1.24 million (2022: HK\$10.48 million).

The performance of investments were affected by the major factors as follows:

Economic, Social and Political – stock market volatility is influenced by economic, social and political factors, such as inflation, interest rate and Ukraine's war.

Liquidity – Liquidity affected the Group short term strategy to balance in investing listed and unlisted securities and maintaining the cash position.

The Group short term strategy is changed from time to time to reflect the market and economic situation and long term strategy is balanced in investing listed and unlisted securities to increase shareholder's returns.

Prospects

In the United States, inflation is declining, but it's not completely back to target levels. Although Fed officials are beginning to discuss rate reductions, if inflation remains above target, they might tighten monetary policy further. Long-term interest rates have only recently risen above their pre-pandemic levels – this delayed reaction means that part of the impact of the Fed's previous tightening efforts remains to be seen.

In China, in the property sector, some stock prices of major developers are trading at distressed levels. The immediate priority is clearly the property sector, given its sheer size. Measures to ease restrictions in Beijing and Shanghai – such as the reduction of initial down payments, extension of mortgage duration, and cuts in mortgage rates in December – are steps in the right direction. Similar measures have been taken in most cities, but the actions in Beijing and Shanghai carry more weight in terms of policy direction. We believe China is in a post-property era and needs new growth drivers.

Ukraine's war and its impact on the global economy become a very important unpredictable factor in 2024 investment market.

In Hong Kong, over 60 per cent enterprises surveyed by the Hong Kong General Chamber of Commerce said they expect no income growth in 2024. Among those enterprises, 20 per cent said expected a decrease in income compared to 2023, according to the survey. The enterprises feel more negatively about the economic outlook in 2024.

Under the above global environment, we will continue our creative yet careful approach to new investments and portfolio management – we will explore new potential areas of investment while exercising due caution where necessary in 2024. We believe the key to success is in managing risk successfully through diversification and due diligence.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Apart from trading securities, the Management will continue to increase shareholder's returns, by exploring various sectors and regions with the aim of finding additional favorable investments that are undervalued and have sustainable income streams.

Major Investments

Particulars of major investments held by the Group as at 31 December 2023 are as follows:

i) Listed equity securities

Upbest Group Limited ("Upbest Group")

Upbest Group is incorporated in the Cayman Islands and is principally engaged in investment holding. Its subsidiaries are principally engaged in the provision of a wide range of financial services including securities broking, futures broking, securities margin financing, money lending, corporate finance advisory, assets management, properties investment and precious metals trading.

The Group holds 19,416,000 (2022: 21,062,000) shares in Upbest Group, representing approximately 0.72% (2022: 0.79%) interest in the issued share capital of Upbest Group with a corresponding investment cost of HK\$14,139,629 (2022: HK\$15,341,209) and derived a dividend income of HK\$421,240 (2022: HK\$448,800) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Upbest Group were approximately HK\$2,757,055,000 (2022: HK\$2,697,476,000).

i-Control Holdings Limited ("i-Control")

i-Control is incorporated in the Cayman Islands and is principally engaged in investment holding while its principal subsidiaries are principally engaged in provision of video conferencing and multimedia audiovisual solution and maintenance services and cloud-based Information Technology and Operational Technology managed services.

The Group holds 20,260,000 (2022: 20,010,000) shares in i-Control, representing approximately 1.93% (2022: 1.90%) interest in the issued share capital of i-Control with a corresponding investment cost of HK\$9,156,472 (2022: HK\$9,100,295) and derived a dividend income of HK\$343,910 (2022: HK\$97,050) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of i-Control were approximately HK\$158,920,000 (2022: HK\$171,186,000).

Ausupreme International Holdings Limited ("Ausupreme")

Ausupreme is incorporated in the Cayman Islands and is a Hong Kong-based brand builder, retailer and wholesaler of health and personal care products and principally engaged in the development, marketing, sales and distribution of the branded products managed by its group.

The Group holds 34,030,000 (2022: 38,000,000) shares in Ausupreme, representing approximately 4.47% (2022: 4.99%) interest in the issued share capital of Ausupreme with a corresponding investment cost of HK\$9,159,036 (2022: HK\$10,380,109) and derived a dividend income of HK\$364,150 (2022: HK\$363,250) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Ausupreme were approximately HK\$162,796,000 (2022: HK\$155,688,000).

Kwong Man Kee Group Limited ("Kwong Man Kee")

Kwong Man Kee is incorporated in the Cayman Islands and is principally engaged in provision of engineering services in flooring, screeding, anti-skid surfacing, specialized texture painting, waterproofing works and sales of flooring and waterproofing materials.

The Group holds 29,793,000 (2022: 29,793,000) shares in Kwong Man Kee, representing approximately 4.99% (2022: 4.97%) interest in the issued share capital of Kwong Man Kee with a corresponding investment cost of HK\$9,979,864 (2022: HK\$9,979,864) and derived a dividend income of HK\$297,930 (2022: HK\$148,965) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Kwong Man Kee were approximately HK\$127,657,430 (2022: HK\$117,055,875).

Gemilang International Limited ("Gemilang")

Gemilang is incorporated in the Cayman Islands and is principally engaged in investment holding. Its subsidiaries are principally engaged in design and manufacture of bus bodies and assemble buses.

The Group holds 7,525,250 (2022: 7,525,250) shares in Gemilang, representing approximately 2.99% (2022: 3.00%) interest in the issued share capital of Gemilang with a corresponding investment cost of HK\$6,758,627 (2022: HK\$6,758,627) and derived a dividend income of HK\$nil (2022: HK\$173,749) for the year ended 31 December 2023. Based on the annual consolidated financial statements for the year ended 31 October 2023 (2022: 31 October 2022), the net asset value of Gemilang were approximately HK\$109,738,310 (2022: HK\$126,142,000).

Harbour Equine Holdings Limited ("Harbour Equine")

Harbour Equine (Formerly known as Shen You Holdings Limited) is incorporated in the Cayman Islands and is principally engaged in investment holding. Its subsidiaries are principally engaged in the manufacture and selling of high performance sewing threads and broad categories of garment accessories, provision of interior design, interior decorating and furnishing services, trading of bloodstocks, stallion services and equine handling services and provision of advisory on securities, corporate financial advisory services and asset management services.

The Group holds 19,992,711 (2022: 19,992,711) shares in Harbour Equine, representing approximately 4.89% (2022: 4.90%) interest in the issued share capital of Harbour Equine with a corresponding investment cost of HK\$7,956,824 (2022: HK\$7,956,824). No dividend income was received for the year ended 31 December 2023 and 2022. Based on the third quarter financial statements for the nine months ended 30 September 2023 (2022: annual financial statements for the year ended 31 December 2022), the net asset value of Harbour Equine were approximately HK\$42,852,000 (2022: HK\$67,928,000).

Bank of Communication Company Limited ("Bank of Communication")

Bank of Communication is incorporated in the People's Republic of China and is principally engaged in provision of corporate and personal banking services, conducting treasury business, provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The Group holds nil shares (2022: 205,000) in Bank of Communication on 31 December 2023, representing nil (2022: 0.0006%) interest in the issued share capital of Bank of Communication with a corresponding investment cost of HK\$nil (2022: HK\$1,293,037) and derived a dividend income of HK\$14,673 (2022: HK\$76,762) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2022, the net asset value of Bank of Communication were approximately HK\$1,168,314,720,000.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

China Construction Bank Corporation ("CCB")

CCB is incorporated in the People's Republic of China and is principally engaged in provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The Group holds 450,000 (2022: 470,000) shares in CCB, representing approximately 0.0002% (2022: 0.0002%) interest in the issued share capital of CCB with a corresponding investment cost of HK\$2,339,265 (2022: HK\$2,714,527) and derived a dividend income of HK\$231,671 for the year ended 31 December 2023 (2022: HK\$155,259). Based on the third quarter financial statements for the nine months ended 30 September 2023 (2022: 31 December 2022), the net asset value of CCB were approximately HK\$3,406,834,200,000 (2022: HK\$3,247,241,280,000).

MTR Corporation Limited ("MTR")

MTR is incorporated in the Hong Kong and is principally engaged in railway design, construction, operation, maintenance and investment in Hong Kong, Macau, Mainland China and a number of overseas cities; project management in relation to railway and property development businesses in Hong Kong and Mainland China; station commercial business including leasing of station retail space, leasing of advertising space inside trains and stations, and enabling of telecommunication services on the railway system in Hong Kong; property business including property development and investment, management and leasing management of investment properties (including shopping malls and offices) in Hong Kong and Mainland China; investment in Octopus Holdings Limited; provision of railway management, engineering and technology training; and investment in relevant new technologies.

The Group holds 110,000 (2022: 110,000) shares in MTR, representing approximately 0.002% (2022: 0.002%) interest in the issued share capital of MTR with a corresponding investment cost of HK\$4,845,536 (2022: HK\$4,845,536) and derived a dividend income of HK\$144,100 (2022: HK\$158,400) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of MTR were approximately HK\$178,856,000,000 (2022: HK\$179,912,000,000).

Goldstone Capital Group Limited ("Goldstone Capital")

Goldstone Capital (Formerly known as Youth Champ Financial Group Holdings Limited) is incorporated in the Bermuda and is principally engaged in investments in listed and unlisted enterprises.

The Group holds 21,500,000 (2022: 11,500,000) shares in Goldstone Capital, representing approximately 9.06% (2022: 4.85%) interest in the issued share capital of Goldstone Capital with a corresponding investment cost of HK\$16,910,936 (2022: HK\$9,381,348). No dividend was received during the years ended 31 December 2023 and 2022. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Goldstone Capital were approximately HK\$17,507,000 (2022: HK\$27,322,000).

Swire Pacific Limited ("Swire")

Swire Pacific Limited is incorporated in Hong Kong and focuses on real estate, aviation, beverage, industrial, marine services, trading, and industrial businesses. Swire Pacific operates worldwide.

The Group holds 31,500 (2022: 10,000) shares in Swire, representing approximately 0.004% (2022: 0.002%) interest in the issued share capital of Swire with a corresponding investment cost of HK\$1,815,773 (2022: HK\$819,318) and derived a dividend income of HK\$197,570 (2022: HK\$53,925) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of Swire were approximately HK\$324,774,000,000 (2022: HK\$315,936,000,000).

China Ludao Technology Company Limited ("China Ludao")

China Ludao Technology Company Limited is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and sale of aerosol products for household and auto care, air fresheners, personal care products and insecticides and wholesales of personal care products and production related materials. The company is principally engaged in the research and development, manufacture and sale of aerosol and related products.

The Group holds 2,492,000 (2022: 664,000) shares in China Ludao, representing approximately 0.51% (2022: 0.14%) interest in the issued share capital of China Ludao with a corresponding investment cost of HK\$2,419,103 (2022: HK\$650,720). No dividend was received during the years ended 31 December 2023 and 2022. Based on the annual results for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of China Ludao were approximately HK\$450,522,600 (2022: HK\$426,795,480).

A brief description of the business and financial information of the above listed investee companies based on their published results announcements, annual and interim reports.

ii. Unlisted investment funds

P.B. Capital Advanced Fund 3 Segregated Portfolio ("Fund")

During the Reporting Period, the Group subscribed a short-term private investment fund issued by P.B. Capital Advanced Fund 3 Segregated Portfolio, which offered a rate of annual return of not less than 6.8% of the principal sum of HK\$5,190,000. The board (the "Board") of directors (the "Director" and each a "Director") are of the view that (i) the subscription provides the Group with better return than fixed deposits generally offered by banks; (ii) the subscription was funded by the Group's surplus cash reserves, and thus would not affect the Group's working capital position or operation; and (iii) appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds of the Group. Accordingly, the Directors consider that the subscription is on normal commercial terms which are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The investment objective of the Fund is to achieve earnings in the form of short-term capital appreciation mainly through investments in potential projects that can bring in considerable income. On 28 December 2023, the Group subscribes 5,190 (2022: nil) participating, non-redeemable, non-voting class A shares with a subscription amount of HK\$5,190,000 (2022: nil). No investment income was received during the years ended 31 December 2023 and 2022. As at 31 December 2023, the net asset value of Fund was approximately HK\$5,190,000 (2022: nil).

The details of all investments with a value greater than 5% of the Company's total assets and at least the 10 largest investments as at 31 December 2023 are respectively set out in note 16 and 25 of the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review

Financial Resources and Liquidity

As at 31 December 2023, the total equity of the Group amounted to approximately HK\$74.19 million (31 December 2022: HK\$102.52 million).

As at 31 December 2023, the Group maintained a cash position, cash and bank balances amounting to approximately HK\$0.27 million (31 December 2022: HK\$1.85 million).

The Group's financial assets at fair value through profit or loss of approximately HK\$70.46 million as at 31 December 2023 (31 December 2022: HK\$79.93 million).

Gearing Ratio

The Group's total borrowings comprising the other payables and accruals, excluding the provision for reinstatement of leased office premise, and lease liabilities, amounted to approximately HK\$0.35 million as at 31 December 2023 (31 December 2022: HK\$0.43 million).

The Group's gearing ratio calculated on the basis of total borrowings over the shareholders' equity of the Company was approximately 0.47% as at 31 December 2023 (31 December 2022: 0.42%).

Final Dividend

The Board has resolved not to recommend any payment of final dividend for the year ended 31 December 2023 (2022: Nil).

Capital Structure

There was no change to the Group's capital structure for the year ended 31 December 2023.

Capital Commitment and Contingent Liabilities

As at 31 December 2023, there had no material capital commitment and no contingent liabilities.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's assets and liabilities are majority denominated in Hong Kong Dollars. The Group at present does not have any contracts to hedge against its foreign exchange risks.

Share Options

The Company has not adopted any share option scheme.

Significant Investments Held

Save as disclosed above, the Group had no other significant investment held with a value of 5% or more of the Company's total assets as at 31 December 2023.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Employees and Remuneration Policies

As at 31 December 2023, the Group employed a total of 5 employees (2022: 5) including the executive Directors. The total staff costs (including fees, salaries and other allowance for both Directors and other staff) for the year ended 31 December 2023 were approximately HK\$2.41 million (2022: approximately HK\$2.99 million). The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors.

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

Save as disclosed in this report, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2023.

Charges on the Group's Assets

As at 31 December 2023, there were no charges on the Group's assets.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution in 2023 and would like to give my sincere gratitude to the shareholders of the Company for their continual support.

By Order of the Board

Chan Pui Kwan

Chairman

Hong Kong, 27 March 2024

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. Su Chunxiang ("Mr. Su")

Mr. Su, aged 36, obtained a Bachelor of Science in Civil Engineering from Northern Alberta Institute of Technology in Canada in 2010 and a degree of Master of Engineering in Software Engineering from Xiamen University in the People's Republic of China (the "PRC") in 2012. Mr. Su has extensive experience in finance, investment fund management, investment analysis and risk management. He was the founder and the general manager of the risk control department of Kunming Precious Metal Exchange in the PRC and was the marketing director of the trading department of the COFCO Futures Co., Ltd in the PRC. Mr. Su has also obtained the qualifications of Fund Practitioner and Futures Practitioner respectively in the PRC. Mr. Su was the general manager of Shan Qiu Asset Management (Beijing) Co., Ltd ("Shan Qiu"), a company established in the PRC and principally engaged in the operation and management of the fund set up by Shan Qiu for third party investors. He was also the investment manager of Binhaitiandi (Tianjin) Cci Capital Ltd ("Binhaitiandi"), a company established in the PRC and principally engaged in the operation and management of the fund set up by Binhaitiandi for third party investors. Mr. Su was an executive director of P. B. Group Limited (stock code: 8331) from 9 January 2018 to 23 August 2023.

Mr. Su was appointed as an executive Director on 6 October 2020.

Mr. Leong Chi Wai ("Mr. Leong")

Mr. Leong, aged 48, has over 25 years of experience in corporate finance, asset management, direct investments and property investments and developments. He is also licensed under the Estate Agents Authority. Mr. Leong is a director and Responsible Officer of Hua Yu Investment Management Limited, the investment manager of the Company since March 2009 to 31 October 2019.

Mr. Leong graduated from the University of Hong Kong with a Bachelor degree in Business Administration (Accounting and Finance). He is licensed under the SFO to carry out Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) as a representative since 2003 and as a Responsible Officer since May 2008 to present. He was also licensed to carry out Type 1 (Dealing in Securities) from May 2008 to February 2010.

Mr. Leong was appointed as an executive Director on 7 July 2014.

Mr. Lewis Chan ("Mr. Chan")

Mr. Chan, aged 53, has over 20 years of experience in asset management and investment research. He is the Managing Partner at MaunaKai Capital Partners (Hong Kong) Limited since 2004. Mr. Chan is also a co-founder of Symbior Energy, an alternative energy incubation company. He is currently serving as a non-executive director at D&G Technology Holding Company Limited (stock code: 1301) and an independent non-executive director at Yuk Wing Group Holdings Limited from 2016 to 20 April 2018 (stock code: 1536), both listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chan was formerly assistant professor of finance during 2000 to 2004 and adjunct associate professor of finance from 2004 to 2006 at Hong Kong University of Science and Technology. He was also an advisor during 2009 to 2013 to North Yard Economics, a non-profit consultancy to developing countries.

Mr. Chan was a winner of the Fama-DFA Prize of the Best Papers published in 2003 in the Journal of Financial Economics. He is a research fellow at The China Center for Financial Research at Tsinghua University, and a member of the Admissions, Budgets and Allocations Committee, the Community Chest of Hong Kong. Mr. Chan received his Ph.D. in Economics from Harvard University, a Master degree in economics from Columbia University and a Bachelor of Arts degree in economics from the University of Chicago. He is licensed under the SFO as responsible officer to carry out Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities.

Mr. Chan was appointed as an executive Director on 7 July 2014.

BIOGRAPHICAL DETAILS OF DIRECTORS (CONTINUED)

Non-Executive Directors

Ms. Chan Pui Kwan ("Ms. Chan")

Ms. Chan, aged 58, started her career as a corporate banker. Born in Hong Kong, spent her youth and received education in the Netherlands, Ms. Chan returned to her birthplace and started her career in early 90's. She had worked in several prominent European banks, including Rabobank, ABN AMRO, Fortis and established the European desk for these banks to provide support to European companies expanding into China.

In 2002, Ms. Chan started her own company SINOVA to provide advice and support to investors for both inbound and outbound investments. The company employed over 40 professionals with offices in three countries. In 2010, Dutch based financial group ANT acquired SINOVA and Ms. Chan remained as Chief Executive Officer of SINOVA till September 2012.

She is the founder and Chief Executive Officer of Delta-Think (HK) Ltd, which provides business strategy advisory advices to corporations for business expansion in public and private sectors.

Ms. Chan is active in the community services and holds advisory positions in various institutions. At present, she is one of the General Committee members of the Hong Kong General Chamber of Commerce as well as a member of the Board of Directors of Hong Kong Science and Technology Parks Corporation. Apart from being a Member of Competition Commission, starting from July 2020, Ms. Chan also became an Advisory Committee Member of Enhancing Self-Reliance Through District Partnership Programme (ESR). She then also became a Member of the Trade and Industry Advisory Board (TIAB) from January 2022. Ms. Chan is also a Member of the Advisory Board of the Dutch Chamber of Commerce from October 2020.

As recognition of her achievements, Ms. Chan has received numerous awards in China, Hong Kong and the Netherlands, amongst which she was selected as one of "China's 100 Outstanding Female Entrepreneurs" ("中國百名傑出女企業家") in 2010.

Ms. Chan has grown up from a multi-cultural background and speaks several European languages. She graduated from Rotterdam Business School with a bachelor degree in banking and insurance in 1991.

She is licensed under the SFO as a representative of Hua Yu Investment Management Limited to carry out Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities since 2015.

Ms. Chan is currently serving as an independent non-executive director at JBB Builders International Limited since 11 April 2019 (Stock code: 1903).

Ms. Chan was appointed as a Non-executive Director and the Chairman of the Board on 7 July 2014 and 24 October 2014.

For Ms. Chan's interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date of this annual report, please refer to the section headed "Report of the Directors" in this report.

BIOGRAPHICAL DETAILS OF DIRECTORS (CONTINUED)

Independent Non-Executive Directors

Mr. Jochum Siebren Haakma (“Mr. Haakma”)

Mr. Haakma, aged 74, a lawyer and former career diplomat and an expert in the field of Trade and investment Promotion, was from 1978 assigned to a number of Dutch Embassies abroad (Rome, Lusaka, Bonn), in 1986 as Commercial and Economic Counsellor to The Netherlands Embassy in Jakarta and in 1989 in the private sector as director of the Indonesian Netherlands Association (*de facto* Ind.-NL C.O.C) in Jakarta.

From 1993–1997, Mr. Haakma was the Managing Director of the Centre for the Promotion of Imports from Developing Countries (CBI) in Rotterdam, which is an Agency under the Ministry of Foreign Affairs of the Netherlands. In this function he acted as permanent Vice-Chairman of the FORUM of the European Trade Promotion Organisations. He was also member of the European Commission and The International Trade Centre (ITC, UNCTAD/WTO) in Geneva.

In 1995 he followed a post-doctorate course at Harvard Business School.

From 1997 until 2002 he served as Consul-General in Hong Kong/Macao and from 2002 until 2006 as Consul-General in Shanghai. In 2006 he was appointed Managing Director of the Netherlands Foreign Investment Agency (NFIA) under the Ministry of Economic Affairs in The Netherlands, responsible for attracting investments to the Netherlands with an international network of 24 NFIA offices around the world.

In September 2007 he moved to the private sector and was appointed Global Executive Director Business Development of the TMF Group BV in Amsterdam, where he is responsible for the Business Development and Branding of TMF Group on a global scale. TMF Group helps global companies expand and invest seamlessly across international borders. Its expert accountants and legal, HR and payroll professionals are located around the world, helping clients to operate their corporate structures, finance vehicles and investment funds in different geographic locations. With operations in more than 85 countries and with HQ in Amsterdam providing outsourced compliance services, TMF Group is the global expert that understands local needs.

Concurrently he is the Chairman of the Board of the NCH (Netherlands Council for Trade Promotion), Chairman of the Netherlands China Business Council, former Chairman of the China Group of the HFC (Holland Financial Centre) and President of the Europe Council of NCH. Furthermore, he is the Vice President of the Board of the AmCham Netherlands, member of the Board of Ambassadors of Hemingway, non-executive director with Amesto Global LLC, Chairman of the board of The EU-China Business Association (EUCBA), member of the International Steering Committee of Nyenrode University, Advisory Board Member of ChinaLux, and Advisory Member of a number of China related institutions (Young Dragon Business Club, Cathay Pacific Trader Awards). For many years he wrote a monthly column about cultural differences in the China Times and is former Chief Advisor Public Affairs European Region for Huawei Technologies Co Ltd.

Mr. Haakma is founder and honorary member for life of the Dutch CEO lunch in Shanghai and honorary member for life of the Foreign Correspondents Club (FCC) in Hong Kong.

Mr. Haakma is founder and owner of Haakma Consultancy since 2016.

In 2012 he received an honorary Doctorate Degree of the European University in Barcelona, Spain. Mr. Haakma was speaker at the International Capital Conference (ICC) in Beijing in 2016 to 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS (CONTINUED)

Mr. Haakma was appointed as independent non-executive Director on 7 July 2014. Mr. Haakma was also further appointed as members of the audit committee of the Company (the "Audit Committee"), remuneration committee of the Company (the "Remuneration Committee") and nomination committee of the Company (the "Nomination Committee") on 29 July 2014.

Mr. Chen Yeung Tak ("Mr. Chen")

Mr. Chen, aged 39, has over 15 years of experience in auditing, accounting and financial management, treasury, internal control, corporate governance and company secretarial matters. He graduated from The Hong Kong Polytechnic University with a Bachelor of Arts in Accountancy in December 2006. He is a member and a fellow of the Hong Kong Institute of Certified Public Accountants ("CPA"). He is also a CPA (Practising) registered in the Accounting and Financial Reporting Council.

Mr. Chen has worked in international accounting firms and Blue River Holdings Limited as an accounting manager (formerly known as PYI Corporation limited, the shares of which are listed on the Stock Exchange (stock code: 498)). From December 2017 to November 2021, Mr. Chen served as an independent non-executive director of AV Promotions Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8419). Mr. Chen is currently a company secretary of Kingland Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1751) and had an appointment of its executive director from May 2020 to June 2022.

Mr. Chen is an independent non-executive director of the following companies respectively: Kingbo Strike Limited, the shares of which are listed on the Stock Exchange (stock code: 1421); WElli Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 2372); and Gain Plus Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 9900). Mr. Chen also has an appointment of an independent director of Onion Global Limited, a company formerly listed on New York Stock Exchange (stock code: NYSE: OG) and currently listed on U.S. OTC Market (stock code: OGBLY: OG).

Mr. Chen was appointed as the independent non-executive Director, a chairman of the Audit Committee and the Remuneration Committee respectively and a member of the Nomination Committee on 19 July 2019.

Mr. Tang Chin Ting ("Mr. Tang")

Mr. Tang, aged 32, has over 9 years of experience in the field of auditing and has been providing professional accounting and financial reporting services to various Hong Kong listed companies as well as multinational and private companies. Mr. Tang has worked for various reputable international accounting firms in Hong Kong and is currently the manager of a firm of Certified Public Accountants in Hong Kong. Mr. Tang obtained a Master of Science degree in Professional Accounting and Corporate Governance from City University of Hong Kong in July 2021. He was admitted as a member of CPA Australia in November 2018. Mr. Tang was also certified as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in October 2018, and was admitted as an associate of The Hong Kong Chartered Governance Institute in November 2021. Mr. Tang is currently an independent non-executive director of Hephaestus Holdings Limited (stock code: 8173), a company listed on the GEM of the Stock Exchange.

Mr. Tang was appointed as independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee on 13 October 2023.

REPORT OF THE DIRECTORS

The board of directors (the "Board") has pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2023.

Principal Activities and Business Review

The principal activities of the Company and its subsidiaries during the year were investment holding. Discussion and analysis as required by Schedule 5 to the Hong Kong Companies Ordinance are set out on pages 4 to 10 and pages 25 to 44. This discussion forms part of the report of the Directors.

Principal risks and uncertainties

Major events affecting either economic or political stability could pose as risks and uncertainties for the Company. Economic events could include recessions that would have an impact on the Company's revenue, operating costs and profitability.

Political risk includes changes in the regulatory environment in which the Company operates.

The Directors are continuously vigilant towards changes in general economic and political situations and constantly seeking to identify new and emerging risks at the earliest opportunity in order to mitigate risks and uncertainties.

Relationships with Stakeholders

Our Group understands that it is important to maintain good relationship with employees, suppliers, business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year, there was no material and significant dispute between our Group and its employees, suppliers, business partners or bank enterprises.

Compliance with laws and regulations

The Company operates in Hong Kong and is governed by the regulatory requirements set by the Hong Kong Listing Rules, and other relevant laws and regulations in Hong Kong and the Cayman Islands. Its compliance obligations are guided by comprehensive policies and procedures covering ethics, business conduct and anti-corruption.

The Directors confirmed that the Company has complied with the regulatory requirements set by the Hong Kong Listing Rules and other relevant laws and regulations in Hong Kong and the Cayman Islands.

Environmental Policies and Performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth. Details are set out in the section headed "Environmental, Social and Governance (ESG) Report" of this annual report.

Segmental Information

The Group's revenue and contribution to operating results were all derived from investments in listed and unlisted companies in Hong Kong.

Property, Plant and Equipment

Property, plant and equipment have been written off in 2021.

Subsidiaries

Details of the Company's subsidiaries at 31 December 2023 are set out in note 14 on the consolidated financial statements.

Share Option

The Company has not adopted any share option scheme.

Directors' Remuneration

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. In addition, the Directors' remuneration is reviewed by the Remuneration Committee annually.

Results and Appropriations

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 62.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023. No interim dividend was declared during the year (2022: Nil).

Share Capital

Details of the movements in the Company's share capital during the year are set out in note 19 on the consolidated financial statements. As at 31 December 2023, the Company has an authorized share capital of HK\$40,000,000 divided into 4,000,000,000 shares of HK\$0.01 each.

REPORT OF THE DIRECTORS (CONTINUED)

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below. This summary does not form part of the audited financial statements.

Results

	1/1/2023 – 31/12/2023	1/1/2022 – 31/12/2022	1/1/2021 – 31/12/2021	1/1/2020 – 31/12/2020	1/1/2019 – 31/12/2019
	HK\$	HK\$	HK\$	HK\$	HK\$
Revenue	2,191,881	1,833,791	2,203,955	1,205,224	2,169,604
Loss before taxation	(28,381,550)	(24,513,492)	(4,725,630)	(41,048,248)	(26,302,496)
Taxation	56,171	415,792	(55,865)	135,099	493,459
Net loss attributable to shareholders	(28,325,379)	(24,097,700)	(4,781,495)	(40,913,149)	(25,809,037)

Assets and Liabilities

	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
	HK\$	HK\$	HK\$	HK\$	HK\$
Total assets	75,058,197	103,520,967	128,340,397	121,058,470	165,080,003
Total liabilities	(867,176)	(1,004,567)	(1,726,297)	(5,379,338)	(8,487,722)
Net assets	74,191,021	102,516,400	126,614,100	115,679,132	156,592,281

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 21 and 24(b) on the consolidated financial statements.

The Company's reserves available for distribution represent the share premium and retained profits under the Companies Law of the Cayman Islands. The share premium of the Company is available for paying dividends to shareholders of the Company subject to the provisions of its memorandum (the "Memorandum") and articles of association (the "Articles of Association") of the Company and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association, dividends can be distributed out of the share premium and retained profits of the Company which in aggregate amounted to approximately HK\$58,269,000 (2022: HK\$75,092,000) as at 31 December 2023.

Major Customers and Suppliers

A substantial portion of the Group's income is derived from the Group's investments and the disclosure of information regarding customers would not be meaningful. The Group has no major suppliers requiring disclosure.

Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries for the year ended 31 December 2023.

Investment Policies

The Company has adopted an investment policy, which has not been changed since its adoption in 2014 upon resumption of trading on the Stock Exchange. Summarized below are the investment objectives, investment policies and investment restrictions of the Company:

I. Investment Objectives

The Company is an investment company incorporated in the Cayman Islands with the primary objective of achieving short to medium term (i.e. less than one year to five years) capital appreciation by investing in listed and unlisted companies in Hong Kong and the PRC. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Hong Kong Stock Exchange and Clearing Limited or any overseas stock exchanges.

II. Investment Policies

A substantial portion of the Company's assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts and debt securities issued by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies and restrictions adopted by the Company from time to time and the requirements of the Memorandum, the Articles of Association, the Rules Governing the Listing of securities on the Stock Exchange (the "Listing Rules") and the Investment Management Agreement.

The Board and the Investment Manager would seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other.

The Company's investments are intended to be held for short to medium term capital appreciation. There is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Directors will from time to time realise investments where they believe the realization would be in the best interests of the Company.

III. Investment Restrictions

Under the Articles of Association and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company.

The Company will not 1) own or control more than 30% of the voting rights in any one company or body, 2) exceed 20% of the net asset value at the time when such investment is made, 3) buy or sell commodities, commodity contracts or precious metals and 4) invest more than 50% of its assets outside Hong Kong and the PRC.

The Company has to comply with investment restrictions 1 and 2 above at all times, which are set out in the Articles of Association and cannot be changed while it remains listed as an investment company under Chapter 21 of the Listing Rules.

Investment restrictions 3 and 4 cannot be changed for at least 3 years from the date of the Prospectus without the approval of the shareholders of the Company by way of an ordinary resolution, and there has not been any change of the investment policy as set out in the prospectus of the Company dated 27 May 2002.

REPORT OF THE DIRECTORS (CONTINUED)

Directors

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

Executive Directors

Mr. Leong Chi Wai
Mr. Lewis Chan
Mr. Su Chunxiang

Non-executive Directors

Ms. Chan Pui Kwan (*Chairman*)
Mr. Lam Chi Keung (Resigned on 20 March 2024)

Independent Non-executive Directors

Mr. Chen Yeung Tak
Mr. Jochum Siebren Haakma
Mr. Tang Chin Ting (Appointed on 13 October 2023)
Mr. Leung Ka Kui (Resigned on 11 August 2023)

In accordance with Article 87(3) and Article 88(1) of the Company's Articles of Association, Mr. Su Chunxiang, Mr. Leong Chi Wai, Mr. Lewis Chan, and Mr. Tang Chin Ting shall retire by rotation from office and, being eligible, offer themselves for re-election. All other directors continue in office.

The term of office of each of the non-executive directors and independent non-executive directors lasts until his/her retirement by rotation once every three years in accordance with the Articles of Association.

The Company received confirmation of independence in respect of the year ended 31 December 2023 from each of the independent non-executive directors pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

Change in Information of Directors and Chief Executives of the Company

Mr. Leung Ka Kui has resigned as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 11 August 2023. Please refer to the announcement of the Company dated 11 August 2023 for details.

Mr. Tang Chin Ting has been appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee with effect from 13 October 2023. Please refer to the announcement of the Company dated 13 October 2023 for details.

Save as disclosed above and in the paragraph headed "Biographical Details of Directors" of this annual report, there is no other change in information of Directors required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules during the year ended 31 December 2023.

In respect of the change in emoluments of Directors, please refer to note 11 to the consolidated financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

Directors' Service Contracts

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

Permitted Indemnity Provision

During the year, the Company has arranged directors' and officers' liabilities insurance cover to indemnify the directors against claims, costs, charges and expenses arising out of the Group's business and activities.

Directors' Interests in Transaction, Arrangement or Contract

In the opinion of the Board, save as disclosed below, there were no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any director of the Company or and entity connected with a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 31 December 2023, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 (which has been re-numbered as Appendix C3 with effect from 31 December 2023) to the Listing Rules (the "Model Code") in the Listing Rules were as follows:

Long position in shares of the Company

Name of director	Number of issued ordinary shares held				Total	Approximate percentage of total issued ordinary shares
	Personal interests	Family interests (interest of spouse)	Corporate interests	Other interests (interest in controlled corporation)		
Chan Pui Kwan (<i>Note 1</i>)	-	-	-	254,500,000 (<i>Note 1</i>)	254,500,000	9.30%

Note:

1. Fame Image Limited is beneficially and ultimately owned as to 100% by Ms. Chan Pui Kwan ("Ms. Chan"). Fame Image Limited holds 50% of the issued shares of Sharp Years Limited, which in turns hold 254,500,000 shares of the Company. There is no change to the number of shares of the Company.

As at 31 December 2023, Ms. Chan is interested in 100% of the share capital of Fame Image Limited, which in turn owned 50% of the share capital of Sharp Years Limited, which in turn is holding 254,500,000 shares of the Company. By virtue of the SFO, Ms. Chan is deemed to be interested in the 254,500,000 shares of the Company, representing approximately 9.3% of the entire issued share capital of the Company.

REPORT OF THE DIRECTORS (CONTINUED)

Save as disclosed above, at no time during the year ended 31 December 2023 was the Company, its subsidiaries, or its associates a party to any arrangement to enable the Directors or chief executives of the Company, or their spouses or children under the age of 18, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporation.

Save as disclosed above, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholder's Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2023, the following persons or corporations, other than the interest disclosed above in respect of the Directors, interested in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Long positions in Shares of the Company

Name of shareholders	Number of issued ordinary shares held				Approximate percentage of total issued ordinary shares
	Corporate interest	Other interests (interest in controlled corporation)	Other interests (Investment manager)	Total	
P.B. Global Asset Management Limited	–	–	504,410,000 (Note 1)	504,410,000	18.44%
P.B. Capital Advanced Fund SPC – P.B. Capital Advanced Fund 2 Segregated Portfolio	504,410,000 (Note 1)	–	–	504,410,000	18.44%
Vibrant Noble Limited	379,900,000 (Note 2)	–	–	379,900,000	13.89%
Qian Jun	–	379,900,000 (Note 2)	–	379,900,000	13.89%
Mass Trade Global Limited	265,537,200 (Note 3)	–	–	265,537,200	9.70%
Liu Junda	–	265,537,200 (Note 3)	–	265,537,200	9.70%
Sharp Years Limited	254,500,000 (Note 4)	–	–	254,500,000	9.30%
Long Surplus International Limited	–	254,500,000 (Note 4)	–	254,500,000	9.30%
Fame Image Limited	–	254,500,000 (Note 4)	–	254,500,000	9.30%
Ho Hoi Yee, Wisery	–	254,500,000 (Note 4)	–	254,500,000	9.30%
Lai Tsui Har	–	254,500,000 (Note 4)	–	254,500,000	9.30%

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

1. P.B. Global Asset Management Limited is an investment manager. P.B. Capital Advanced Fund SPC – P.B. Capital Advanced Fund 2 Segregated Portfolio beneficially owned the Shares.
2. Vibrant Noble Limited is wholly-owned by Mr. Qian Jun. Therefore, Mr. Qian Jun is deemed to be interested in the shares of the Company.
3. Mass Trade Global Limited is wholly-owned by Mr. Liu Junda. Therefore, Mr. Liu Junda is deemed to be interested in the shares of the Company.
4. Sharp Years Limited, which in turns hold 254,500,000 shares of the Company, is owned as to 50% by Long Surplus International Limited and 50% by Fame Image Limited respectively.

Long Surplus International Limited is beneficially and ultimately owned as to 66.67% by Ms. Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har. By virtue of the SFO, Ms. Ho Hoi Yee, Wisery and Ms. Lai Tsui Har are deemed to be interested in the 254,500,000 shares of the Company.

Fame Image Limited is beneficially and ultimately owned as to 100% by Ms. Chan, a non-executive Director, by virtue of the SFO.

Save as disclosed above, as at 31 December 2023, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

Directors' Interest in Competing Business

None of the Directors is interested in any business apart from the Group's interests, which competes or is likely to compete, either directly or indirectly with the Group's business.

Connected Transactions and Continuing Connected Transactions

During the year ended 31 March 2023, there were no connected transactions or continuing connected transactions of the Company which require compliance with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Related Party Transactions

Details of material related party transactions undertaken in the usual course of business of the Group are set out in note 23 to the financial statements. However, these transactions were either exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, or did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Contracts of Significance

Save as disclosed in the transactions as disclosed in note 23 to financial statements, no controlling shareholder or any of its subsidiaries has any contract of significance of the Company or its subsidiaries during the year.

REPORT OF THE DIRECTORS (CONTINUED)

Management Contracts

Details of significant management contracts in relation to the Company's business are included in note 23 on the consolidated financial statements.

Save as disclosed above, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Pre-Emptive Rights

There are no provisions for pre-emptive rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders under the Memorandum and Articles of Association and the Companies Laws of the Cayman Islands.

Tax Relief

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

Audit Committee

The Company has established an audit committee (the "Audit Committee") according to "A Guide for the Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants and the terms of reference adopted in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee had also reviewed the annual results of the Group for the year ended 31 December 2023 and this annual report in conjunction with the Company's external auditors.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the code of conduct of the Group regarding Director's securities transactions. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the period.

Corporate Governance Code Compliance

For the year ended 31 December 2023, the Company has complied with the code provisions set out in the section headed "Part 1 – Mandatory disclosure requirements" and the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "CG Code") contained in Appendix 14 (which has been re-numbered as Appendix C1 with effect from 31 December 2023) of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save and except for the deviations of the following:

Code provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meeting and develop a balanced understanding of the views of shareholders. One executive Director was unable to attend the annual general meeting of the Company held on 2 June 2023 due to their other business engagements.

Please refer to the Corporate Governance Report on pages 45 to 57 of this annual report for details.

REPORT OF THE DIRECTORS (CONTINUED)

Events After the Reporting Period

There is no material subsequent event undertaken by the Group after the year ended 31 December 2023 and up to the date of this annual report.

Sufficiency of Public Float

According to the information that is publicly available to the Company and within the knowledge of the Board, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares.

Auditors

Messrs. WM CPA Limited acted as auditors of the Company for the year ended 31 December 2023, CWK CPA Limited acted as auditors of the Company for the year ended 31 December 2022 and BDO Limited acted as auditors of the Company for the year ended 31 December 2019, 2020 and 2021.

Messrs. WM CPA Limited retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

Change of the Auditor of the Company

Reference is made to the announcement of the Company dated 23 November 2023, CWK CPA Limited ("CWK") has resigned as the auditor of the Company with effect from 23 November 2023. WM CPA Limited had been appointed as the auditor of the Company to fill the casual vacancy following the resignation of CWK with effect from 23 November 2023 and hold office until the conclusion of the next annual general meeting of the Company.

Reference is made to the announcement of the Company dated 8 August 2022, BDO Limited ("BDO") has resigned as the auditor of the Company with effect from 8 August 2022. CWK had been appointed as the auditor of the Company to fill the casual vacancy following the resignation of BDO with effect from 8 August 2022.

Save as disclosed above, there has been no other change of auditors for the preceding three years.

On behalf of the Board

Chan Pui Kwan

Chairman

Hong Kong, 27 March 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

About Us

DT Capital Limited (the "Company", together with its subsidiaries, the "Group") is an investment company that holds and maintains a diversified portfolio of listed and unlisted companies. The Group is like a delta with plentiful important resources and attractive investment opportunities from different parts of the world. It is where people of excellence from the East and the West meet to create something impactful and beneficial to the well-being of mankind through direct investment in carefully selected investment vehicles and projects.

Our Objective

The principal investment objective of the Group is to achieve earnings in the form of short-to medium-term capital appreciation mainly through investments in a diversified portfolio of listed and unlisted companies in the region. To add value to our goal of improving human well-being, we place more focus on investments which promote environmental sustainability and technological innovation.

Objective of the Report

The environmental, social and governance ("ESG") report (the "ESG Report") aims to provide the performance of the Group in respect of the environmental, social and governance aspects in a transparent manner over the past year, in response to the concerns and expectations of our stakeholders on the sustainable development of the Group.

Scope of the Report and Reporting Period

The ESG Report covers the reporting period for the year ended 31 December 2023 (the "Reporting Year"), which is in conformity with the Group's financial year. The ESG Report sets out the ESG obligation, ESG governance structure, performance and initiatives of the Group. In particular, the Key Performance Indicators ("KPI") of environmental and social aspect disclosed in the ESG Report covers our operating office in Hong Kong.

Corporate Governance

The Group is committed to maintaining high standards of corporate governance. Information relating to the Group's corporate governance practices has been set out in the CG Report on of this annual report.

Review and Approval

The board of directors ("Board") of the Company confirms that they have the responsibility to ensure the integrity of this ESG Report, and to their best knowledge, the ESG Report expounds all relevant important issues and fairly presents the ESG performance of the Group. This ESG Report was reviewed and approved by the Board on 27 March 2024.

Reporting Framework

The ESG Report has been prepared with reference to the requirements set out in the Environmental, Social and Governance Reporting Guide ("ESG Guide") as set out in Appendix C2 of Main Board Listing Rules. During the process of preparation of the ESG Report, we summarised the Group's performance in terms of the corporate social responsibilities based on the reporting principles of "materiality", "quantitative", "balance" and "consistency".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

The table below is our response to the reporting principles.

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

Governance Structure

The table below is our summary of governance structure.

Role	Functions and duties
The Board	<ul style="list-style-type: none">– Oversee the relevant ESG-related issues;– Define and review the ESG management approach and strategy of the Group;– Review and discuss on the effectiveness of ESG mechanism;– Prioritise the ESG-related issues;– Approve or amend ESG-related policies; and– Review ESG-related goals and targets.
ESG Working Group	<ul style="list-style-type: none">– To assist the Board in fulfilling its oversight responsibility for the Group's ESG strategies and programmes;– To establish a suitable, acceptable and feasible ESG-related goals and targets;– To engage with stakeholders and to solicit their feedback on the Group's ESG risks and opportunities;– To determine ESG priorities, formulate corresponding objectivities and policies, and to monitor progress as per the ESG-related goals and targets; and– To assess and manage ESG risks arising from operation and to progressively integrate ESG considerations into the Group's business strategy.
Key operating department or – outsourced functions	Incorporate relevant policies and guidelines into daily business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

The Board has a critical role in overseeing the ESG-related issues by exercising its risk-related oversight after taking into account the materiality of different ESG risks. This oversight is strategic and closely aligned with the Group's business model and operations.

An ESG Working Group was established to introduce and facilitate implementation of ESG-related policies and measures. It ensures that the operating department and outsourced functions are well informed of any introductions of or amendments to the ESG-related policies and measures. It also takes the major role of monitoring the ESG performance and ensuring the effective implementation of the ESG-related policies and measures.

Annual review is conducted regarding the ESG commitment and performance of the Group based on the relevant external and internal information gathered. Based on the findings in its annual review, the ESG Working Group makes recommendations and suggestions to the compliance committee of the Board, which conducts review and reports findings and suggestions to the Board correspondingly. The Board then conducts overall review with the aim to enhance ESG mechanism and policies of the Group.

Stakeholders Engagement

The stakeholders of the Group refer to groups and individuals who have significant impact on the Group's business, or those who are affected by the Group's business. The participation of stakeholders is an important part of the business management of the Group for it to examine potential risks and business opportunities.

The Group constantly communicates with key stakeholders within and outside the Group through various channels. Communications with stakeholders enable the Group to better understand their views and to bring business practices closer to their needs and expectations, so as to properly manage the views of different stakeholders. This ensures that they are given an opportunity to understand the development and operating directions of the Company, as well as the opportunities for the Group to listen to their opinions in order to prioritize different issues, and to develop corresponding policies.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

Stakeholders	Topic raised	Communication, understanding and responses to stakeholders
Investors	Corporate governance; Business strategies and performance; Investment returns; Information transparency; ESG-related risk of the Group; Sustainability of our investments and operations; Competence and quality of the management.	Shareholders' meeting; Financial reports or announcements for investors; Media and analysts; Study of market research conducted by professional organisations and public media regarding the trend of ESG-related concerns.
Employees	Rights and interests of employees; Health and safety; Career development; Remuneration and benefits; Care for employees; Working environment.	Adhering to the principle of equal employment and protecting the legal rights and interests of employees; Formulating competitive remuneration and benefits systems, and improving various benefits and treatment; Performance management; Continuous education and professional trainings; Attention to occupational health and safety; Annual appraisal.
Suppliers	Punctual fulfillment of agreements; Integrity and probity; Product/service quality; Company's core value and its public image.	Supplier selection with due care; Contractual obligations are in place; Direct communication our concerns to suppliers.
Government and regulator	Compliance with laws and regulations; Correspondence; Sound development of the market; Social welfare.	Regulatory filings; Study of relevant research and consultation papers issued by the regulators.
Natural environment	To realize green operation; Participation of environmental related public activities; Green investments.	Energy saving and emission reduction; Green public-service activities.
Community	Corporate governance; Harmonious community; Environmental protection; Local employment and economic development.	Volunteer activities; Active participation in mutual community construction; Charitable donation.

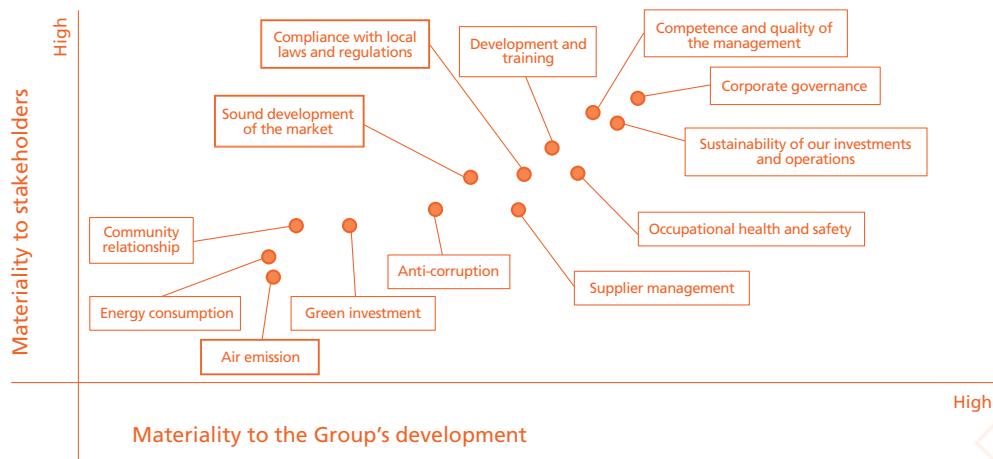
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

Materiality Assessment

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

1. Identifying potential issues: screen out the initial reference issues with reference to the ESG Reporting Guide.
2. Stakeholder communication: understand and analyze the issues of concern to stakeholders.
3. Ranking the issues by materiality – prepare the ESG materiality ranking based on the results of the communication and understanding.

Material Sustainability Issues



We believe the most pertinent sustainability issues include competence and quality of the management, corporate governance, sustainability of our investments and operations, development and training, occupational health and safety, compliance with local laws and regulations, sound development of the market and supplier management.

INVESTORS

The Board takes its fiduciary role seriously and is committed to maintaining a high standard of business integrity and transparency in its business practice. To understand its major stakeholders' needs and expectations, the Group has designated an open channel of communication with its investors and shareholders and an email account is dedicated to communication with stakeholders on the Group website.

Experienced and Visionary Management Team

As we are an investment company, we understand the investors will concern the competence and quality of the Group's management regarding the aspect of investing.

Members of our management and investment team have vast experience in providing strategic advice, investment ideas and financial services to investors from PRC and Europe for their cross-border businesses. The team is made up not only of professionals from diverse backgrounds with proven track records but also experienced executives who know the local markets, business environment and culture. Our board comprises decades of solid entrepreneurial experience that provides us with a deep understanding of both the projects in which we directly invest and the investors themselves, who often come from entrepreneurs' families.

Our highly experienced, multilingual and multi-discipline team, coupled with our extensive network and relationships in both the public and private sectors across PRC, Hong Kong, and Europe, enables us to bridge the gap between local insights and global thinking combining the benefits of the East and the West. We provide insightful investment advice and seamless support for investors from PRC to invest abroad and to assist European investors investing in PRC.

We are a dedicated team of professionals with proven industry experience who are deeply passionate about our work. We pride ourselves in achieving real, visible growth and profitability.

Sustainability of Investment

The Group understands that there is a trend of increasing demand of the ESG investing for the investors. As an ongoing commitment to good corporate citizenship, we recognize the responsibility in minimizing the negative environmental and social impact of our business operations and our investment portfolio, in order to achieve a sustainable development for generating long-term and sustainable values to our stakeholders and community as a whole. ESG analysis is an integral part of the Group's investment process. The rationale for the Group to take ESG-related issues into account as part of the investment process is to ensure our investees have an adequate level of governance quality and mitigate environmental and social risks that can expose us to losses and reputational risks. And the Group is cognizant that ESG-related risk management can lead to opportunities as well.

EMPLOYEES

The Group regards our employees as the most valuable resources for our corporate survival and development. We provide and create a broad career development platform and opportunities for the employees to display their individual talents. Remuneration packages are reviewed periodically based on the Group's operating results, individual performance and market information. Fair terms on working hours, overtime payment, holidays, termination of contract, fringe benefits and leave entitlement are stipulated on the employment contracts. We aim to reward and motivate the contribution and performance of employees and assist them in their career development and promotion within the Group.

In order to provide a good and fair working environment and safeguard the well-being of our employees, we seriously consider all valuable opinions from our employees to enhance workplace productivity and harmony.

Employee Welfare

We deeply understand the importance of work-life balance for employees and standardize the management of employees' working hours, holidays and rest periods. In addition to statutory holidays, the Group also provides employees with paid holidays including annual leave, sick leave, maternity leave, wedding leave, compassionate leave and study leave.

Equal Opportunity and Anti-Discrimination

The Group is committed to creating a working environment free of discrimination and harassment, which can reduce employees' work stress. Discrimination is prohibited in any circumstances. Reporting channel is also provided for staff who feels being treated unfairly and appropriate actions will be taken to address such issues if they arise. Further, a business contingency plan is in place to protect the Group from possible threats and risks caused by emergent situation or disaster in order to maintain the safety of employees in such situations.

The recruitment of the Group is fair and open for all candidates, and not affected by age, sex, physical or mental health status, marital status, family status, race, skin color, nationality, religion, political affiliation and sexual orientation and other factors.

We strictly follow the relevant laws and regulations and our employment policies to select candidates based on skillsets, experience and expertise. Equality and diversity are highly respected in our corporate philosophy during the process of employment, remuneration, promotion and termination.

By adopting the above practices, we comply with, in all material respects, the following ordinances and the relevant codes of practice issued by the Equal Opportunities Commission of Hong Kong: Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong), Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong), Family Status Discrimination Ordinance (Cap. 527 of the Laws of Hong Kong), and Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong).

Dismissal

In situations which employees have violated the law and regulations or the Group's code of conduct and rules, or their performance is below an acceptable level continuously, a set of procedures were established to terminate their employment contract. The terms and conditions for dismissal are outlined in the Group's policy and procedures.

Health and Safety

The Group strives to create a safe working environment as recommended by the Occupational Safety and Health Council in Hong Kong. The Group is committed to providing a safe and healthy working environment for all employees and protecting them from any potential occupational hazards. As an investment company, the Group has a low safety risk profile, but potential injury hazards from slips, trips and falls for employees remain. There has been no high-risk or safety-sensitive type of work identified in the workplace. Employees are encouraged to communicate and report the health and safety issues to management in order to immediately address the relevant risk.

We provided employees with health coverage. Employees are entitled to benefits including medical insurance as well as other competitive fringe benefits. The Group has adhered to the related laws and regulations with regard to labour hygiene and assured personal safety of employees to create a safe and hygienic work environment to everyone working at the Group's venue. In order to protect our employees from injuries and accidents under adverse weather, we have established adverse weather working arrangement in our working guideline. We have also ensured that our employees are under the coverage of employees' compensation insurance.

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

- ensuring ample space between workstations and clean and tidy common space such as corridors and pantry;
- ensuring the facilities operated by employees should meet safety and health standards;
- obtaining expert advice to identify health and safety risk in the operations and the corresponding mitigating actions that should be taken;
- maintaining sufficient ventilation and lighting system in the office;
- offering adjustable chairs and workstation of proper design at each individual workstation;
- providing user friendly computer equipment such as eye-care monitor and suitable keyboards and mouse; and
- conducting fire drills and emergency evacuation simulations to raise employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency.

The Group was not aware of any material non-compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and other health and safety-related laws and regulations which have a significant impact on the Group.

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

Career Development and Training

Talent is an important resource for corporate development. The Group puts very strong emphasis on building teams of talents, continuously improves the mechanism for talent development and establishes professional training colleges. We provide the employees with effective training and develop a clear promotion ladder, ensuring that the employees have the required skills.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

The Group conducts employee performance evaluation annually and based on the assessment results provides the employees with appropriate training and offers job development and promotion opportunities for outstanding employees. Internal promotion is always preferred over external recruitment by the Group so as to provide the best chance for employees to grow together with the Group.

In order to enhance the effectiveness and efficiency of the management of the Group, we have provided training specific to the needs of the management, such as training on corporate governance. On the other hand, junior staff is kept updated with knowledge and trained with techniques regarding the application of new software or hardware, such as computer and accounting programmes, needed for their daily work. The Group is continuously stepping up our education and training policy, planning to provide all our employees with necessary up-to-date and job-related training so that they can keep abreast of the ever-changing business environment.

All directors of the Group had participated in continuous professional development related training programmes and seminars, to ensure that they are well equipped to manage and govern the Group's operations and business.

On top of on-the-job training, employees are encouraged to take external professional training to strengthen their work-related expertise. Employees are encouraged to attend courses or seminars organized by professional bodies and regularly update their knowledge on investments, accounting standards, Listing Rules, the Securities and Futures Ordinance and the Companies Ordinances.

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

Category by gender and grade	% of employee trained		Average training hours per employee	
	2023	2022	2023	2022
Male	100%	100%	12	11
Female	100%	100%	20	20
General employees	100%	100%	20	20
Mid-level employees	100%	100%	26	20
Senior management	100%	100%	8	8

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

During the Reporting Year, the average training hours per employee was 14 hours (2022: 13 hours).

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

Employment Profile

The total workforce and the number of employee turnover of the Group for the Reporting Year are summarized as follows:

Key performance indicators	2023	2022
Total number of employees	5	5
By gender:		
– Total number of male employees	4	4
– Total number of female employees	1	1
By employment type:		
– Total number of full-time employees	5	5
– Total number of part-time employees	–	–
By age group:		
– Within the age group of 30 to 50	3	3
– Within the age group of over 50	2	2
Turnover rate of employees		
By gender:		
– Turnover rate of male employees	–	17%
– Turnover rate of female employees	–	–
By employment type:		
– Turnover rate of full-time employees	–	17%
– Turnover rate of part-time employees	–	–
By age group:		
– Turnover rate of employees within the age group of 30 to 50	–	20%
– Turnover rate of employees within the age group of over 50	–	–
By geographic region:		
– Hong Kong	–	17%
– Others	–	–

The Group aims to maintain the employee turnover rate at an acceptable level and help the Group to accumulate professional expertise and experience in a more effective manner. During the Reporting Year, there was no turnover of employee.

Compliance with Employment Laws and Regulations

The Group complies with the Labour Law of Hong Kong and relevant employment laws and regulations during the Reporting Year, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). It does not employ anyone less than 18 years of age. To all its employees, it provides rights and benefits which are at least or more than those required statutorily. Monthly salary payments are made on time according to respective employment contract, and the Group's contributions to the defined contribution retirement scheme it operated under the Mandatory Provident Fund Scheme are made by each monthly contribution day.

During the Reporting Year, there were no non-compliance cases identified relevant to laws and regulations on recruitment, employment, benefits and welfare, and anti-discrimination.

Prevention of Child and Forced Labour

We prohibit the use of any child and forced labour in any of our operations and services. Labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. Children who are below the legal working age as set by the local Labour Law should not be employed. In case such unethical labour practices are discovered, we require immediate corrective actions including dismissal of such labour with appropriate compensations.

We strictly check the age of applicants. Cases of holding forged identification documents or providing false personal data or false work experience, once found, will be handled according to the relevant requirements of the Group's policies. Serious cases with detrimental effects might be handled according to relevant legal requirements.

The risk of the issues of child and forced labour is minimal due to the nature of our business and operations. There was no child nor forced labour in the Group's operation during the Reporting Year.

SUPPLIERS

Given that the Group is engaged in the investment business, which is office based, it does not rely on any major suppliers for its business operation in general. The Group's suppliers mainly include services provider of supporting the daily office operation of the Group, office consumables suppliers, external professional service provider and the investment suppliers. The Group therefore considers that the risk arising from cooperation with suppliers is minimal and is unlikely that the relationships with these suppliers will bring significant impact on the business operation of the Group as it is comparatively easy to seek alternative suppliers in the market.

Besides, guidelines were established and adopted to outline criteria to be considered when selecting suppliers and vendors. Factors such as whether the potential suppliers own shared values with the Group in terms of sustainable development will be considered.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

Supplier assessment

The table below summarized our assessment in the four aspects. The assessment will be performed by searching their publicly disclosed information and relevant news regarding the ESG-related issues. In the future, we would continuously attach greater importance and efforts on the assessment of environmental and social aspects.

Quality	Economic	Environment	Society
<ul style="list-style-type: none"> - Reputation - Technical support - Performance - Management background 	<ul style="list-style-type: none"> - Initial and maintenance costs - Capability - Return - Delivery on time 	<ul style="list-style-type: none"> - Energy consumption - Air emissions and waste management - Recyclable material 	<ul style="list-style-type: none"> - Contribution to society and charity - Human right - Labor practice - Market development

Key suppliers by geographical region:

Region	Number of key suppliers		Number of suppliers being assessed based on these four aspects	
	2023	2022	2023	2022
Hong Kong	13	13	2	3
PRC	2	2	Nil	Nil

Note: For those key suppliers without the assessment, it is due to the lack of publicly disclosed information and the relevant news and data.

Product Responsibility

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

Business Ethics

Anti-Corruption and Anti-Money Laundering

The Group strives to achieve high standards of ethics in its business operations and does not tolerate any corruptions, money laundering and other behaviours violating work ethics. The Group stipulates the code of conduct in the operation manual and encourages the employee to report any incident of soliciting and accepting advantages. If and when necessary, we will fully cooperate with enquiries or requests from regulators.

By conforming to relevant laws and regulations, such as the Prevention of Bribery Ordinance, Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, we have established a Code of Conduct and a policy which embodies the principles of integrity, respect, trust and judgment. The Group under no circumstances allows any bribery, corruption, extortion, money-laundering or other fraudulent activities. Employees are required to possess high ethical standards and demonstrate professional conduct in all business dealings with our stakeholders.

The Group has provided support of the training of anti-corruption and anti-money laundering to the directors and employees. The support included the external training courses, internal training and relevant reading materials.

Whistle-blowing Mechanism

Established control, such as a whistle-blowing mechanism, is in place as a private and confidential communication channel for employees to report suspicious fraudulent actions to our audit committee directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities. Identities of both the whistleblowers and the party complained against are kept confidential, if information is provided. During the Reporting Year, there was no reported cases.

No significant risks relating to improper or dishonest handling of money were identified during the year under review. The Group did not receive any whistleblowing reports from its employees during the year as well. There were also neither any confirmed incidents or suspected incidents regarding bribery, corruption, fraud, money laundering or terrorist financing against the laws of Hong Kong nor any legal proceedings regarding corrupt practices brought against the Group or its employees during the year under review. The Group was not aware of any non-compliance with the Prevention of Bribery Ordinance and other laws and regulations relating to bribery, extortion, fraud, money laundering or terrorist financing which have a significant impact on the Group for the Reporting Year.

Intellectual Property Rights

We respect intellectual property rights. The Group respects intellectual property ("IP") rights and therefore is committed to purchasing genuine copyrighted products such as computer software. Fundamental guidelines are also provided to the employees to ensure they do not infringe upon any IP rights such as trademark and copyrights. Disciplinary or legal actions may be taken against the employee should he/she be found to be in breach of such rights.

ENVIRONMENT

Emission

The Group is committed to reduce carbon footprints by pursuing energy saving and other environment protection measures in our business operation. As the Group is engaged in investment business, only generate indirect greenhouse gas ("GHG") emission, limiting to electricity, water and paper consumptions in our office setting and employee business travel. Non-hazardous wastes (commercial wastes and the disposal of computer devices and office equipment) produced by the Group are also at a minimum. As our business nature, we did not generate any nitrogen oxides, sulphur oxides and respiratory suspended particles in our operations.

Air Emission

In accordance with the ESG Reporting Guide set out of the Hong Kong Stock Exchange, our environmental performance of Air Emissions during the reporting period are tabulated as below. During the Reporting Year, the Group generates about 5.25 tonnes (2022: 6.83 tonnes) tonnes of carbon equivalent emission. Among the total GHG emission, indirect electricity consumption was the most proportion.

Greenhouse gas Emission	Major sources	Total GHG (CO ₂ and CO ₂ equivalent) emissions (tonnes)		Intensity per employee (tonnes)	
		2023	2022	2023	2022
Scope 1 Direct emissions	N/A	–	–	–	–
Scope 2 Energy indirect emissions	Electricity	4.89	6.39	0.98	1.28
Scope 3 Other indirect emissions	Paper	0.35	0.43	0.07	0.09
Total CO ₂ emission equivalents		5.25	6.83	1.05	1.37

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

Note 2: The amount of carbon emissions per unit of electricity is 0.71 kg CO₂-e for the Reporting Year.

Note 3: Since the Company operates in leased office premises, the data of its water consumption is not available.

The decrease of carbon equivalent emission was due to making progress towards the set target.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

Hazardous Waste and Non-hazardous Waste

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

The major non-hazardous waste generated was paper usage, with limited amount of office supplies.

Our reduction target would be the directional improvement of the disposal of wastepaper. To achieve the target, we will continue to reduce, reuse and recycle throughout our operations to minimize the disposal of wastes to the landfill. Green office practices such as encouraging double sided printing and copying and promoting the use of recycled papers and the introduction of collection and recycling of e-waste such as old computers or other office equipment are implemented to minimize the disposal of wastes.

Environmental Compliance

The Group is not aware of any material non-compliance with the relevant laws and regulations which have a significant impact on the Group relating to air pollutant and GHG emissions, discharges into water and land, or generation of hazardous and non-hazardous waste during the Reporting Year.

Use of Resources

With the vision of helping to protect the planet and of incorporating environmental sustainability into its business functions and processes, the Group proactively seeks opportunities for increasing operating efficiency in order to reduce the use of resources. The Group also closely monitors the utilisation of resources and reports to senior management on this aspect of performance. Appropriate remedial actions to improve efficiency in the use of resources are taken, whenever necessary.

The Company's operation is mainly office-based and the Company is committed to minimizing the impact of businesses on the environment through adopting eco-friendly measures at the office. For example, employees are encouraged to reduce paper consumption by double-sided printing, print in black and white, reusing papers printed on one side and E-storage of documents.

Use of Resource	Total Consumption		Consumption per employee	
	2023	2022	2023	2022
Electricity (kWh)	6,890	9,005	1,378	1,801
Paper (kg)	74	90	15	18
Water	N/A	N/A	N/A	N/A

Electricity

The electricity consumed by the Group was mainly used in the office during its normal business operation and supplied by The Hong Kong Electric Co., Ltd. During the Reporting Year, the Group has consumed 6,890 kWh (2022: 9,005 kWh) of electricity. These consumptions of the electricity were mainly attributable by the use of computer and light in the office. The electricity for using air-condition was included in the building management fee. The decrease of electricity usage was due to effective implementation of the employee's awareness on energy-saving.

Water

The water supply was included in the building management fee. Water consumption by the Group for the Reporting Year involved mainly bottled drinking water uses at its office premises and the Group's business operations do not require any other water usage. Compared to other industries, the water consumption of the Group's operations is relatively low and is mainly used by our employees for domestic purposes, therefore the Group does not consider that this will have a significant impact on the environment. However, we are aware of the importance of water conservation and we remind our staff to always turn off the taps after use to avoid wastage and we hope to take this opportunity to develop good environmental practices among our staff.

No issue arises in sourcing water that is fit for the purpose of the Group's operation as the water supply is managed by the building management office.

Paper

During the Reporting Year, the Group used a total of approximately 0.07 tonnes (2022: 0.09 tonnes) of paper in its normal office operations for printing documents. The decreased of the paper disposal was mainly due to the effective implementation of the employee's awareness on paper-saving.

Packaging material

The Group does not engage in any production or trading of goods, and thus, did not consume any packaging material for the Reporting Year.

Emission and Use of Resources Target

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

- Employees are reminded to switch off lights and air-conditioning in the meeting room and the computer at the workstation when not in use;
- Room temperature is maintained at suitable levels whenever possible to save energy;
- keep doors, windows, and entrances closed to prevent loss of air conditioning in the office;
- assure the cooling effect of air conditioning equipment by proper maintenance;
- replace broken electronic devices and electric appliances with more energy-efficient models;
- regularly clean lamps or light bulbs to ensure luminous efficiency and effective illumination;
- encourage the use of electronic scanning or electronic fax to reduce photocopying;
- encouraging double sided printing and copying and promoting the use of recycled papers;
- Water consumption of the Company is minimal. Employee are encouraged not to waste water; and
- Conference calls instead of face-to-face meetings are arranged where possible.

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

Environment and Natural Resources

Climate Change Risk

The Group is an investment company, there is no actual business facing climate change directly. However, climate change risk is increasing, and the extreme weather is affecting the Global in recent years. The Group believes that no one can escape from climate change, and everyone should put effort on tackling the issue.

The tables below are the description of the climate change risk and the relevant measures.

Risk	Risk description	Measures
Acute risks		
– Extreme weather such as – rainstorm and typhoon	<p>It may cause damage to building foundations, damage to utilities cables, risk of rain penetration due to heavy rain and storm surges. There is risk of failure to the operation of the Group.</p> <p>– Storm surges and heavy rain would cause tree failure and immediate dangers to the safety of our employees.</p> <p>– The extreme weather may cause damage to the direct and indirect risk to telecommunications and computer failure. The unstable network would cause the risk to our principal business activities which is securities trading and investment.</p>	<p>– The Group has developed mitigation measures to reduce the effect raised by typhoons on our employees and office. For instance, before the Black Rainstorm Warning Signals and No. 8 or above Tropical Cyclone Warning Signals incurred, the Group will release employees from work and ensure there is sufficient time for their journeys between living place and office.</p> <p>– The work from home arrangement would reduce the risk of failure of operation due to damage to Group's office by the extreme weather.</p>
Chronic risk		
– Extreme weather	– In long-term, the climate change would change the chronic health condition. For example, the higher temperature would result in changes in transmission patterns of infectious diseases or higher risk of thermal stress.	– The Group would regularly raise the awareness of the employees to risk of health issues caused by fluctuation of temperature as well as the risk of infectious diseases. At the current stage, the chronic risk to the Company is not significant.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTINUED)

Transition risk	Risk details	Measures
Reputation risk	Although the Group business activity is investment, the ESG performance of the investments would affect the reputation of the Company. For example, if there is environmental pollution and high-carbon production in the investment, the reputation of the Company would also be damaged.	The control and response to transition risk is that the Group will enhance the ESG-related risk analysis in the Company's risk assessment process. The investment risk should include the ESG-related risk analysis to produce an adjusted risk of return of our investment profile. The reputation risk would be addressed by initial analysis and subsequent monitor of the background of the investments and its management's reputation in ESG-related aspect rather than only the financial aspect.
Policy and legal risk	The law and regulations are expected to be changed for the higher requirement of ESG-related disclosure. For example, the Group is expected to incur higher legal cost to monitor the ESG-related performance of the Group's investments. Failure of disclosure or incorrect disclosure may impose higher legal risk to the Group.	The policy and legal risk would be addressed by the regularly collection of relevant ESG-related data and the local laws and regulations of the investments regarding the ESG-related aspect.
Market risk	The operating market of the Group's investments may be affected due to climate change. For example, the supply and demand of certain commodities may change which affect the operation and value of the Group's investments.	The market risk would be addressed by the regular analysis to the ESG-related risk of our investments in order to generate an acceptable and suitable ESG-related risk adjusted investment portfolio.

COMMUNITY

In pursuit of business development, the Group spares no effort in contributing to the community. The Group is committed to contributing the society through continuous participation in community services in order to fulfil the Group's corporate social responsibility and will consider establishing relevant community investment policies in the near future to better manage the Group's contribution to the community. The Group hopes to foster employees' sense of social responsibility, thus encouraging them to participate in charitable activities during their work and spare time to make greater contributions to the community. The Group is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. On the other hand, the Group believes that the one of the best ways to serve the community is to drive positive impact through its investment portfolio. To create shared values with the community and stakeholders, the Group will continue to consider ESG factors in selecting future investment projects.

The focus areas of the Group's community investment are social welfare and environmental concern. The Group believes that it can act effectively to help alleviate social problems and responds positively with volunteering services. In order to improve the work-life balance of the Group's employees, their family needs and encourage them to participate in community activities and charitable events so as to contribute to the society, the Group's employees from the back office are offered flexible working hours arrangements on the weekday. The Group's employees may have more spare time with their families and participate in volunteering services to give back to the society.

CORPORATE GOVERNANCE REPORT

The Board of directors of the Company (the "Board") understands that sound corporate governance practices is fundamental to maintaining and promoting the confidence of shareholders of the Company (the "Shareholder").

The Board is committed to maintaining and ensuring a high standard of corporate governance. The Board will review the corporate governance practices of the Company and its subsidiaries (the "Group") from time to time to ensure that they reflect the latest development and meet the expectations of the Shareholders.

Corporate Governance Code Compliance

The Board has established procedures on corporate governance and complied with the code provisions set out in the section headed "Part 1 – Mandatory disclosure requirements" and the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "CG Code") contained in Appendix 14 (which has been re-numbered as Appendix C1 with effect from 31 December 2023) of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save and except for the deviations of the following:

Code provision C.1.6 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meeting and develop a balanced understanding of the views of shareholders. One executive Director was unable to attend the annual general meeting of the Company held on 2 June 2023 due to his other business engagements.

Apart from the above-mentioned deviations, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting those in the CG Code provision. The practice of the corporate governance of the Company will be reviewed and updated from time to time in order to comply with the requirement of the Listing Rules.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 (which has been re-numbered as Appendix C3 with effect from 31 December 2023) to the Listing Rules as the code of conduct regarding securities transaction by the Directors and by relevant employees. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the year.

Corporate Governance Principles and Practices

The Board

The Board's primary responsibilities are to formulate the Company's long-term corporate strategy, to oversee the management of the Group, to evaluate the performance of the Group and to assess the achievement of targets periodically set by the Board.

In addition, the Board has also established Board Committees and has delegated to these Board Committees various responsibilities set out in their terms of reference respectively.

Board Composition

The Board currently comprises eight Directors in total, with three Executive Directors ("ED"), two Non-Executive Directors ("NED") and three Independent Non-Executive Directors ("INEDs"). The composition of the Board during the year and up to the date of this report is set out as follows:

EDs: Mr. Leong Chi Wai
Mr. Lewis Chan
Mr. Su Chunxiang

NED: Ms. Chan Pui Kwan (*Chairman*)
Mr. Lam Chi Keung (Resigned on 20 March 2024)

INEDs: Mr. Chen Yeung Tak
Mr. Jochum Siebren Haakma
Mr. Tang Chin Ting (Appointed on 13 October 2023)
Mr. Leung Ka Kui (Resigned on 11 August 2023)

All INEDs and NEDs of the Company were appointed for a specific term, but subject to the relevant provisions of the articles of association of the Company, or any other applicable laws whereby the Directors shall vacate or retire from their office. The term of appointment of the INEDs and NEDs is three years commencing from the date of appointment.

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board and has met the recommended practice under the CG Code for the Board to have at least one-third of its members comprising independent non-executive Directors. The names and biographical details of each Director are disclosed on pages 11 to 14 of this annual report. All Directors have confirmed that they have taken an active interest in the Company's affairs and obtained a general understanding of its business.

Corporate Culture and Strategy

The Group is an investment company listed on the Stock Exchange under Chapter 21 of the Listing Rule. By recognising the importance of Shareholders at the Board level and throughout the Group, we strive to create values to the Shareholders through diligent investment and sustainable growth.

The Group firmly believes that strong corporate governance is the foundation to delivering the corporate objective of maximizing return to its stakeholders over the long term. The core of the governance structure is an effective and qualified Board which is committed to maintaining a high standard of corporate governance, sound internal control and effective risk management to enhance transparency, accountability, integrity and honesty, in order to earn the confidence from our shareholders and other stakeholders and to safeguard the interests of Shareholders.

The Board has adopted the CG Code and by following the requirements of the CG Code, the Company is able to achieve a high standard of compliance in corporate governance to the interest and benefit of the Shareholders. The Company also places importance in diligent investment strategy and monitoring with the aim to create values for the Shareholders.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

BOARD INDEPENDENCE

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

(i) Composition

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

(ii) Independence Assessment

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

(iii) Compensation

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

(iv) Board Decision Making

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

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

Following the resignation of Mr. Leung Ka Kui as an INED on 11 August 2023, the Company has only two INEDs, which results in the current number of INEDs of the Board falling below the minimum number of independent non-executive Directors required under Rule 3.10(1) of the Listing Rules and the number of independent non-executive Directors fails to maintain at least one-third of the members of the Board as required under Rule 3.10A of the Listing Rules until appointment of Mr. Tang Chin Ting as an INED on 13 October 2023.

Save as disclosed above, during the year ended 31 December 2023, the Board at all times met the requirements of the Listing Rules relating to the appointment of independent non-executive Directors as mentioned in item (i) above. The Board has reviewed the implementation and effectiveness of such mechanisms during the year.

Chairman and Chief Executive Officer

Code Provision C.2.1 stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. Ms. Chan Pui Kwan acted as the Chairman of the Board. The Company does not have the title of "Chief Executive" but instead, its duties are performed by the executive Director.

The Chairman focus on overall corporate development and strategic direction of the Group and oversees the efficient functioning of the Board. The executive Directors are responsible for all daily management including planning and developing the Group's strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. The Company shall ensure and facilitate each Director to take an active interest in the affairs of the Group so that each Director could make positive contribution to the Group.

Independent Non-Executive Directors

The board spectrum of background of the INEDs is valuable on the diversified perspectives of the Board. The INEDs bring a wide range of business, legal and financial expertise, experiences and independent judgement to the Board.

Following the resignation of Mr. Leung Ka Kui as an INED on 11 August 2023, the Company has only two INEDs, which results in the current number of INEDs of the Board falling below the minimum number of independent non-executive Directors required under Rule 3.10(1) of the Listing Rules and the number of independent non-executive Directors fails to maintain at least one-third of the members of the Board as required under Rule 3.10A of the Listing Rules until appointment of Mr. Tang Chin Ting as an INED on 13 October 2023.

Save as disclosed above, during the year of 2023, the Board at all times met the requirements of Rule 3.10(1) and Rule 3.10(2) of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. In compliance with Rule 3.10A of the Listing Rules, INEDs represented at least one-third of the Board throughout the year ended 31 December 2023.

The Company has received a written annual confirmation from each INED of his independence pursuant to the requirements of Rule 3.13 of the Listing Rules, which confirmed to the Company that he has met the independence guidelines set out in the Listing Rules. And the Company also considers that they are independent.

Board Diversity Policy

The Company adopted a Board diversity policy which became effective in September 2013. The Company seeks to achieve board diversity through the consideration of a number of factors in the Board members' selection process, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merits, and the selection of candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Company's diversity philosophy including the gender diversity was generally followed in the workforce throughout the Group for the year ended 31 December 2023. As of the date of this report, 88% of Directors and 83% of total workforce were male. The Company will continue to take steps to promote diversity, including gender diversity, at workforce levels.

The Board has reviewed the implementation and effectiveness of the Board diversity policy during the year and concluded that it is effective.

Nomination Policy

The Nomination Committee shall nominate suitable candidates to the Board for it to consider to appoint as director to fill casual vacancies and consider of directors to be re-appointed at an annual general meeting.

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

- a. Reputation for integrity
- b. Accomplishment and experience in the investment industry, in particular, in assets management, regulated license person and related investment experience
- c. Commitment in respect of available time and relevant interest
- d. Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

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

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a directors and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a directors.

Dividend Policy

The Company may declare and distribute dividends to the Shareholders, provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group.

In deciding whether to propose a dividend and in determining the dividend amount the Board shall take into account, *inter alia*:

- (i) the general financial condition of the Group;
- (ii) capital and debt level of the Group;
- (iii) future cash requirements and availability for business operations, business strategies and future development needs;
- (iv) the general market conditions;
- (v) any restrictions on payment of dividends that may be imposed by the Group's lenders; and any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Company Law of the Cayman Islands and Articles of Association.

Directors' Continuous Professional Development

Each newly appointed Director during the year ended 31 December 2023, namely Mr. Tang Chin Ting, receives an induction package including the legal advice referred to the Rule 3.09D of the Listing Rules from the Company's legal advisor on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance.

During the year, all the Directors, namely Mr. Leong Chi Wai, Mr. Lewis Chan, Mr. Su Chunxiang, Ms. Chan Pui Kwan, Mr. Lam Chi Keung, Mr. Chen Yueng Tak, Mr. Jochum Siebren Haakma and Mr. Tang Chin Ting, had received training/briefing which covered topics in Directors' duties and liabilities, continuing obligations of a listed company, corporate governance and compliance issues after their appointments. Besides, the Company will arrange and fund suitable training for Directors in order to develop and refresh their knowledge and skills.

Corporate Governance Functions

The overall management of the Group's operation is vested in the Board. The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group's operation and financial performance, internal control and risk management systems, and monitoring of the performance of the senior management. The Board has to make decisions objectively in the interests of the Company and its Shareholders as a whole. The Board has established procedures to enable Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Group are delegated to the senior management of the Group. The delegated functions and work tasks are periodically reviewed. Pursuant to the levels of authority approved by the Board, the senior management executes day-to-day operations unless the subject matter exceeds the authority granted by the Board or relates to any matters specifically reserved to the Board, they would seek approval from the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board Meetings/General Meeting

The Board meets regularly to discuss the investment strategy as well as operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters. Board meeting should be held at least four times a year at approximately quarterly intervals. Notice, agenda and Board papers of Board and committee meetings are served to all Directors prior to the meeting in accordance with the Articles of Association and the CG Code requirement (except under emergency situation). The chairman of the Board held one meeting with INEDs during the year without the presence of other Directors. Extraordinary and Annual General Meeting schedules and draft agenda are made available to the Directors in advance. Details of individual attendance of Directors at the meetings of the Board, Remuneration Committee, Audit Committee, Nomination Committee and Annual General Meeting are set out in the table below:

	Number of meetings attended/Number of meetings held				Annual General Meeting
	Board Meeting	Remuneration Committee Meeting	Audit Committee Meeting	Nomination Committee Meeting	
Executive Directors					
Mr. Lewis Chan	3/5				1/1
Mr. Leong Chi Wai	2/5				0/1
Mr. Su Chunxiang	4/5				1/1
Non-executive Directors					
Ms. Chan Pui Kwan	3/5				1/1
Mr. Lam Chi Keung (Resigned 20 March 2024)	4/5				1/1
Independent non-executive Directors					
Mr. Chen Yeung Tak	5/5	1/1	3/3	1/1	1/1
Mr. Jochum Siebren Haakma	4/5	1/1	3/3	1/1	1/1
Mr. Tang Chin Ting (Appointed on 13 October 2023)	2/2	N/A	1/1	N/A	N/A
Mr. Leung Ka Kui (Resigned 11 August 2023)	2/2	1/1	1/1	1/1	1/1

Board Committees

The Board has established (i) Remuneration Committee; (ii) Nomination Committee; and (iii) Audit Committee, with defined terms of reference. The terms of reference of the Board committees which explain their respective roles and the authority delegated to them by the Board are posted on the websites of the Stock Exchange and the Company. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

Remuneration Committee

The current Remuneration Committee comprises of three INEDs, Mr. Chen Yeung Tak, Mr. Tang Chin Ting and Mr. Jochum Siebren Haakma. It is chaired by Mr. Chen Yeung Tak.

The Remuneration Committee has adopted the operation model where it performs to make recommendations to the Board on the Company's policy and structure for all Director's and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.

The Remuneration Committee's responsibilities are to review and consider Company's policy for remuneration of Directors and senior management, to determine remuneration packages of executive Directors including benefits in kind, pension rights and compensation payments, to recommend to the Board remuneration of independent non-executive Directors and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Set out below is the summary of work of the Remuneration Committee done in 2023:

- to review and make recommendations to the board on remuneration package for the EDs, NEDs and the INEDs;
- to explore the feasibility in setting up a share option scheme in the foreseeable future; and
- to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 December 2023, the Remuneration Committee had held 1 meeting and the Remuneration Committee has reviewed the share option scheme and remuneration policy and structure relating to Directors and senior management of the Group.

Audit Committee

The current Audit Committee comprises of three INEDs, Mr. Chen Yeung Tak, Mr. Tang Chin Ting and Mr. Jochum Siebren Haakma. It is chaired by Mr. Chen Yeung Tak. It reports directly to the Board and reviews matters within the scope of audit, such as financial statements and internal controls, to protect the interests of the Company's shareholders.

The major roles and functions of the Audit Committee of the Company are as follows:

- to review and monitor the integrity of the Group's financial statements, annual report and interim report, and to review significant financial reporting judgements contained therein;
- to review the Group's financial and accounting policies and practices;
- to review the financial controls, internal control and risk management systems;
- to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- Considered and made recommendation on the change of the independent auditor of the Group, and terms of engagement;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- to report to the Board on the matters set out in the code provision relating to Audit Committee as set out in the CG Code; and
- to review the Company's policies and practices on corporate governance and training and continuous professional development of Directors and senior management.

During the year ended 31 December 2023, the Audit Committee had held 3 meetings and the Audit Committee reviewed the interim and annual results, and the interim and annual reports; met with external auditor to ensure appropriate accounting principles and practices adopted by the Group; and assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management.

Nomination Committee

The current Nomination Committee comprises of three INEDs. They are Mr. Chen Yeung Tak, Mr. Tang Chin Ting and Mr. Jochum Siebren Haakma. The Nomination Committee is chaired by Mr. Tang Chin Ting.

The major roles and functions of the Nomination Committee of the Company are as follows:

- to review the structure, size, composition and diversity (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;
- to develop and maintain a policy for the nomination of Board members which includes the nomination procedures and the process and criteria adopted by the Committee or the Company to identify, select and recommend candidates for directorship during the year;
- to develop and maintain a policy concerning diversity of Board members and to review periodically;
- to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of independent non-executive Directors;
- to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors; and
- to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board.

During the year ended 31 December 2023, the Nomination Committee had held 1 meeting and the Nomination Committee has reviewed the structure, size and composition of the Board, and the independence of independent non-executive Directors.

Corporate Governance Function

The Board is responsible for performing the corporate governance duties of the Company, including:

- i. to develop and review the Group's policies and practices on corporate governance;
- ii. to review and monitor the training and continuous professional development of the Directors and senior management;

- iii. to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- iv. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- v. to review the Group's compliance with the CG Code and disclosure in this Corporate Governance Report.

Responsibilities in Preparing the Financial Statements

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2023.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independence Auditor's Report" on pages 58 to 61.

Internal Control and Risk Management

The Company places great importance on internal control and risk management.

The Group has not established an internal audit, but has engaged an external independent CPA to evaluate the effectiveness of the internal control regarding the compliance with the Listing Rules. During the year, based on the above evaluation, the Company complied with the code provisions on internal controls as stipulated in the CG Code. The Board has conducted a review of the internal control and risk management system of the Group and considered that the internal control and risk management system of the Group has been implemented effectively. There has no significant areas of improvement which are required to be brought to the attention to the members of the Audit Committee are revealed.

The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals.

The Group's risk management system is designed to manage the risk associated with its business and operations; to identify the risk that could affect the achievement of business objective; to analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly; and to ensure effective communication to the Board and ongoing monitor the residual risk.

The Board, either directly or through its committees, sets objectives, performance targets and policies for management of key risks facing the Company. These include strategic planning, political and regulatory, acquisitions, investments, expenditure control, treasury and environment.

The Audit Committee has reviewed the internal control and risk management system and discussed the assessment bases with the management, and concurred that the Company has set up an effective internal control and risk management system to safeguard the assets of the Group.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Internal control policy of the Company

The Company has adopted an internal control and risk management guidelines, which sets out the elements of internal control and risk assessment elements for the management of the Company to follow. It also set out the control activities which the Company shall implement.

The Company has also established the investment committee, which comprises our Director Ms. Chan Pui Kwan. The Investment Committee, prior to approving any investment decision, will monitor and evaluate if the investment decision has any Listing Rules implications and compliance with the investment policy.

During the year ended 31 December 2023, the Directors consider that:

1. The Company has compiled with the provisions of Chapter 14 of the Listing Rules which are applicable to the Company as stated in Rule 21.13 of the Listing Rules;
2. Investments were made by the Company within the investment objectives, policies and restrictions of the Company as set out in its investment policy;
3. Sufficient disclosure were made by the Company in accordance with the requirements under the Listing Rules and the Code on Takeovers and Mergers; and
4. The Company could identify potential conflict of interests and resolve the same when making investment decision.

Dissemination of Inside Information

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a policy on disclosure of inside information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

Listing Rules Compliance

Throughout the year, the Group has fully complied with the Listing Rules requirements. Financial Reports, announcements and circulars have been prepared and published in accordance with the requirements of the Listing Rules.

Whistleblowing Policy

In compliance with code provision D.2.6 of the CG Code, the Board adopted a Whistleblowing Policy which provides employees and the relevant third parties who deal with the Group with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person. An email account (whistleblowing@dt-capitalhk.com) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential. The Board and the Audit Committee will regularly review the Whistleblowing Policy and mechanism to improve its effectiveness.

Anti-Fraud and Anti-Corruption Policy

In compliance with the new code provision D.2.7 of the CG Code, the Board adopted an Anti-Fraud and Anti-Corruption Policy which outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Board and the Audit Committee will review the Anti-Fraud and Anti-Corruption Policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

Auditor's Remuneration

Audit Committee of the Company reviews the terms of appointment of the external auditor each year. The review includes their independence, the scope of their audit, their audit fees, and the scope and professional fees for any non-audit services.

For the year ended 31 December 2023, services provided to the Company by its external auditor and the respective fees paid were:

	2023 HK\$
Audit services	350,000

Company Secretary

Mr. Ho Kim Fung ("Mr. Ho") is the Company Secretary of the Company. Mr. Ho is appointed by the Board and is an employee of the Company. He has day-to-day knowledge of the Group's affairs.

He coordinates and supplies of information to the Board and also ensures that board policy and procedures are followed for all board meetings. He is also responsible for advising the Board on corporate governance and the implementation of the CG Code. He has taken no less than 15 hours of the relevant professional training during the year ended 31 December 2023.

Communication with Shareholders

The Board recognizes the importance of good communication with Shareholders and highly respects the Shareholders' right to express their view and appreciates their suggestions to the Company.

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company. Information will be communicated to the Shareholders through the Company's website, corporate email, financial reports, AGMs and other extraordinary general meetings that may be convened as well as all the published disclosures submitted to the Stock Exchange.

The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year and conclude that it is effective because some minority Shareholders have personally approached the company and ask for relevant news.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Voting by Poll

Procedure for voting by poll has been included in all circulars accompanying notice convening general meeting and has been read out by the chairman at general meeting.

The voting procedures for demanding a poll by Shareholders were written in the 2023 annual general meeting (the "AGM") circular, and the voting procedures were explained in the AGM.

Investor Relations

The Company shall, for the purpose to keep its shareholders duly informed of their rights, publish from time to time the updated Articles of Association in a consolidated form on the Company's website and the Stock Exchange's website.

During the year of 2023, there had been no significant change in the Company's constitutional documents.

Procedures for Requisitioning an Extraordinary General Meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Articles of Association or the Cayman Islands Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised). However, according to the Articles of Association, any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company, by written requisition to the board or the company secretary of the Company, to request to convene an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within 2 months after deposit of such requisition. Any general meeting at which the passing of a special resolution is to be considered shall be called by not less than 21 clear days' notice, whilst others may be called by not less than 14 clear days' notice. If within 21 days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the shareholder(s) as a result of the failure of the Board shall be reimbursed to the shareholder(s) by the Company.

Procedures for Sending Enquiries to the Board

Shareholders may send written enquires to the Company, for the attention of Company Secretary, by fax (852) 2778 6178 or mail to Unit D, 6th Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, and inquiries to the executive Directors of the Company.

On behalf of the Board

Chan Pui Kwan

Chairman

Hong Kong, 27 March 2024

INDEPENDENT AUDITOR'S REPORT



WM CPA LIMITED

維文會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DT CAPITAL LIMITED (incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of DT Capital Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 62 to 104, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, 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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of unlisted financial assets at fair value through profit or loss

Refer to Notes 4, 6(c) and 16 on the consolidated financial statements.

Valuations of financial assets at fair value through profit or loss ("FVTPL") amounted to HK\$70,455,321 as at 31 December 2023 which included unlisted equity securities and unlisted investment funds carried at fair value of HK\$784,736 and HK\$5,190,000, respectively.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

We identified the valuation of financial assets at FVTPL relating to these unlisted equity securities as a key audit matter because the valuation of financial instruments without a quoted price is a complex area and involves a higher degree of estimation, uncertainty and judgment. These financial instruments are material to the Group.

Our procedures to assess the valuation of financial assets at FVTPL relating to unlisted equity securities included:

- Assessing the scope of work, expertise and independence of the independent professional valuers appointed by the Group;
- Obtaining supporting evidence for the significant judgements and estimates of valuation and key inputs used in the valuation models;
- Assessing the valuation methodology applied on the financial instruments;
- Challenging the reasonableness of key assumptions in the valuation based on our knowledge; and
- Reconciling input data used in the valuation to supporting evidence.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2022, were audited by another auditor who expressed in unmodified opinion on those statements on 31 March 2023.

Other information in the annual report

The directors of the Company are responsible for the other information. The other information comprises all the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Directors' responsibilities for the consolidated financial statements

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify, our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chow Wing Yiu.

WM CPA Limited

Certified Public Accountants

Chow Wing Yiu

Practising Certificate Number P07574

Hong Kong

27 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Notes</i>	2023 HK\$	2022 HK\$
Gross proceeds from the disposal of listed investments	7	22,121,452	23,645,070
Revenue	7	2,191,881	1,833,791
Other income, gains and losses	8	226	155,670
Fair value loss on financial assets at fair value through profit or loss	9	(21,363,020)	(18,635,282)
Administrative and other operating expenses		(9,210,637)	(7,867,671)
Loss before taxation	10	(28,381,550)	(24,513,492)
Income tax credit	12(a)	56,171	415,792
Loss for the year and total comprehensive expenses attributable to equity holders of the Company		(28,325,379)	(24,097,700)
Loss per share			
Basic and diluted	13	(0.0104)	(0.0088)
Dividend		Nil	Nil

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	<i>Notes</i>	2023 HK\$	2022 HK\$
Current assets			
Other receivables, deposits and prepayments	15	4,337,202	21,737,190
Financial assets at fair value through profit or loss	16	70,455,321	79,934,666
Cash and bank balances	17	265,674	1,849,111
		75,058,197	103,520,967
Current liabilities			
Other payables and accruals	18	357,000	438,220
Net current assets		74,701,197	103,082,747
Total assets less current liabilities		74,701,197	103,082,747
Non-current liabilities			
Deferred taxation	12(b)	510,176	566,347
Net assets		74,191,021	102,516,400
Capital and reserves			
Share capital	19	27,352,800	27,352,800
Reserves	21	46,838,221	75,163,600
Total equity		74,191,021	102,516,400

The consolidated financial statements on pages 62 to 104 were approved and authorised for issue by the board of directors on 27 March 2024.

Leong Chi Wai
Executive Director

Su Chunxiang
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital HK\$	Share premium HK\$	Accumulated losses HK\$	Total HK\$
Balance as at 1 January 2022	27,352,800	274,083,823	(174,822,523)	126,614,100
Loss for the year and total comprehensive expenses for the year	–	–	(24,097,700)	(24,097,700)
<u>Balance as at 31 December 2022 and 1 January 2023</u>	<u>27,352,800</u>	<u>274,083,823</u>	<u>(198,920,223)</u>	<u>102,516,400</u>
Loss for the year and total comprehensive expenses for the year	–	–	(28,325,379)	(28,325,379)
<u>Balance as at 31 December 2023</u>	<u>27,352,800</u>	<u>274,083,823</u>	<u>(227,245,602)</u>	<u>74,191,021</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Notes</i>	2023 HK\$	2022 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(28,381,550)	(24,513,492)
Adjustments for:			
Interest income	8	(226)	(19,670)
Fair value loss on financial assets at fair value through profit or loss	9	21,363,020	18,635,282
Operating cash flows before changes in working capital		(7,018,756)	(5,897,880)
Decrease/(increase) in other receivables, deposits and prepayments		17,399,988	(20,210,875)
Decrease in other payables and accruals		(81,220)	(305,938)
(Increase)/decrease in financial assets at fair value through profit or loss		(6,693,675)	1,600,159
Cash generated from/(used in) operations		3,606,337	(24,814,534)
Interest received		226	19,670
Net cash generated from/(used in) operating activities		3,606,563	(24,794,864)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of financial assets at fair value through profit or loss		(5,190,000)	–
Net cash used in investing activity		(5,190,000)	–
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,583,437)	(24,794,864)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,849,111	26,643,975
CASH AND CASH EQUIVALENTS AT END OF YEAR		265,674	1,849,111
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	17	265,674	1,849,111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL

DT Capital Limited (the "Company") is a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Unit D, 6th Floor, Eton Building, 288 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (the "Group") engage in investment holding and trading of securities.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
HK Interpretation 5 (Revised) Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or 1 January 2024.

³ Effective for annual periods beginning on or 1 January 2025.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

Revenue recognition

Dividend income from equity securities is recognised when the shareholders' rights to receive payment have been established.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income, gains and losses".

Employee benefits

Retirement benefit costs

Payments to defined contribution mandatory provident fund scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income and interest income which are derived from the Group's ordinary course of business are presented as revenue and other income respectively.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including other receivables and deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For other receivables and deposits and bank balances, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

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

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

(ii) Definition of default

For internal credit risk management, the Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities including other payables are subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

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

Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

Valuation of financial instruments classified as level 3 in the fair value hierarchy

The Group holds financial instruments that are not traded or quoted in active markets. The Group uses its judgment to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments and classifies them as level 3 in the fair value hierarchy. Although the best estimate is used in estimating fair value, there are inherent limitations in any valuation technique. Estimated fair value may differ from the value that would have been used if a readily available market existed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes other payables and accruals, excluding the provision for reinstatement of leased office premise, net of cash and cash equivalents, equity reserves attributable to equity holders of the Company, comprising issued share capital, share premium and accumulated losses.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues.

	31 December	
	2023	2022
	HK\$	HK\$
Total debt	352,000	433,220
Total equity	74,191,021	102,516,400
Gearing ratio	0.47%	0.42%

6. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

Financial assets

	Financial assets at amortised cost HK\$	Financial assets at FVTPL HK\$	Total HK\$
31 December 2023			
Financial assets measured at amortised cost:			
– Other receivables and deposits	1,795,866	–	1,795,866
– Cash and bank balances	265,674	–	265,674
	2,061,540	–	2,061,540
Financial assets at FVTPL	–	70,455,321	70,455,321
	2,061,540	70,455,321	72,516,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

a) Categories of financial instruments (Continued)

Financial liabilities

	Financial liabilities at amortised cost HK\$
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31 December 2023

Financial liabilities measured at amortised cost:

– Other payables and accruals	352,000
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Financial assets

	Financial assets at amortised cost HK\$	Financial assets at FVTPL HK\$	Total HK\$
31 December 2022			
Financial assets measured at amortised cost:			
– Other receivables and deposits	21,088,504	–	21,088,504
– Cash and bank balances	1,849,111	–	1,849,111
	22,937,615	–	22,937,615
Financial assets at FVTPL	–	79,934,666	79,934,666
	22,937,615	79,934,666	102,872,281

Financial liabilities

	Financial liabilities at amortised cost HK\$
31 December 2022	
Financial liabilities measured at amortised cost:	
– Other payables and accruals	433,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies

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

Equity price risk

The Group is exposed to equity price risk through its investment in listed equity securities measured at FVTPL. These are susceptible to equity price risk arising from uncertainties about the future prices of the instruments. The Group's equity price risk is managed through diversification of the investment portfolio ratios by exposures.

The following table demonstrates the sensitivity to every 5% change in the fair values of the listed equity securities except for those which were suspended as at the end of the reporting period, with all other variables held constant, based on their carrying amounts at the end of the reporting period.

	Increase/ (decrease) in fair value %	Increase/ (decrease) in loss before taxation HK\$	Increase/ (decrease) in equity HK\$
2023			
Investments listed in Hong Kong:			
– Financial assets at FVTPL	5 (5)	3,224,000 (3,224,000)	2,692,000 (2,692,000)
2022			
Investments listed in Hong Kong:			
– Financial assets at FVTPL	5 (5)	3,788,000 (3,788,000)	3,163,000 (3,163,000)

Concentration of equity price risk may arise if the Group has a significant investment in single equity investment. At the end of the reporting period, the Group has a certain concentration risk in four (2022: six) equity investments which account for more than 5% of the total assets of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Equity price risk (Continued)

	% of total assets of the Group	
	2023	2022
Upbest Group Limited	16.56%	11.29%
Kwong Man Kee Group Limited	15.48%	11.18%
Goldstone Capital Group Limited (formerly known as Youth Champ Financial Group Holdings Limited)	11.89%	8.96%
Harbour Equine Holdings Limited (formerly known as Shen You Holdings Limited)	4.69%	7.99%
i-Control Holdings Limited	4.91%	7.51%
Ausupreme International Holdings Limited	10.47%	6.96%

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to other receivables and deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Other receivables and deposits

The management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the year ended 31 December 2023 and 2022, the Group assessed the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL bank balances is considered to be insignificant and therefore no loss allowance was recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Within 1 year or on demand	Total		Carrying amount at 31 December			
			contractual undiscounted cash flow	HK\$				
2023								
Non-derivative financial liabilities								
Other payables and accruals	–	352,000	352,000	352,000	HK\$			
2022								
Non-derivative financial liabilities								
Other payables and accruals	–	433,220	433,220	433,220	HK\$			

Foreign currency risk

The Group holds bank balances denominated in Renminbi ("RMB") and United States dollars ("US\$"). The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The directors consider the foreign exchange exposure does not have a significant risk to the Group, no sensitivity analysis is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

c) Fair value measurements of financial instruments

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value measurements as at 31 December 2023 categorised into			Fair value at 31 December 2023 HK\$
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	
	Financial assets at FVTPL			
Listed equity securities	64,480,585	–	–	64,480,585
Unlisted equity securities	–	–	784,736	784,736
Unlisted investment funds	–	–	5,190,000	5,190,000
	64,480,585	–	5,974,736	70,455,321

	Fair value measurements as at 31 December 2022 categorised into			Fair value at 31 December 2022 HK\$
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	
	Financial assets at FVTPL			
Listed equity securities	75,766,706	–	–	75,766,706
Unlisted equity securities	–	–	4,167,960	4,167,960
	75,766,706	–	4,167,960	79,934,666

The fair value of financial instruments traded in active markets is based on quoted market prices for identical instruments at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6. FINANCIAL INSTRUMENTS (Continued)

c) Fair value measurements of financial instruments (Continued)

Fair value hierarchy (Continued)

A market is regarded as active if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The Group adopted HKFRS 13 and used closing price as the valuation basis for listed equity investments.

For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The valuation techniques and inputs used in the fair value measurements within Level 3 is as follows:

Financial assets	31 December 2023 HK\$	31 December 2022 HK\$	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs in 2023	Significant unobservable inputs in 2022	Sensitivity of fair value to the input
Unlisted equity securities	784,736	4,167,960	Level 3	Market approach – Guideline Publicly Traded Company Method (<i>Note 1</i>)	Enterprise value-to-sales ("EV/S") multiples: 2.0x	EV/S multiples: 1.7x	10% increase/decrease in the EV/S multiples would result in increase/decrease in fair value by HK\$705,000 (2022: HK\$382,000)
Unlisted investment funds	5,190,000	-	Level 3	Income approach	Discount for lack of marketability ("DLOM"); 13%	DLOM: 19%	10% increase/decrease in the DLOM would result in decrease/increase in fair value by HK\$12,000 (2022: HK\$88,000)
					Credit spread: 5.56%	N/A	10% increase/decrease in the credit spread would result in decrease/ increase in fair value by HK\$4,000 (2022: HK\$nil)

Note 1: Market approach is adopted by taking EV/S multiples of comparable companies, which have similar business nature with the unlisted equity securities, and applying the averaged multiples to the financial information of the unlisted equity securities. An indicated fair value of the unlisted equity securities is then arrived.

During the year ended 31 December 2023, there was a transfer of fair value measurements between Level 1 and Level 3 for financial assets at FVTPL and the movements in fair value measurements in Level 3 are as follows:

	2023 HK\$	2022 HK\$
At 1 January	4,167,960	2,613,205
Unrealised (loss)/gain on unlisted equity and debt securities	(3,383,224)	1,554,755
At 31 December	784,736	4,167,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7. REVENUE

	2023 HK\$	2022 HK\$
Dividend income from listed equity securities	2,191,881	1,833,791

No dividend income from unlisted equity securities was received for the years ended 31 December 2023 and 2022.

During the year ended 31 December 2023, the Group received gross proceeds of HK\$22,121,452 (2022: HK\$23,645,070) from selling the listed investments to the market.

No analysis of the Group's revenue and contribution to operating profit for the current and prior years set out by principal activities and geographical markets is provided. It is because the Group has only one business segment, which is investments holding and trading of securities, and all the consolidated revenue and the consolidated results of the Group are attributable to the performance of the markets in Hong Kong.

No information about major customers has been disclosed as a substantial portion of the Group's revenue is derived from the Group's investments in equity securities and the disclosure of information regarding customers would not be meaningful as the Group does not derive any revenue from external customers.

As the operation of the Group is entirely in Hong Kong, substantially all of the Group's non-current assets other than financial assets were located in Hong Kong and geographical analysis of non-current assets is not presented.

8. OTHER INCOME, GAINS AND LOSSES

	2023 HK\$	2022 HK\$
Interest income	226	19,670
Government grants	-	136,000
	226	155,670

Note: During the year ended 31 December 2022, included in profit or loss was HK\$136,000 of government grants, which were obtained by the Group from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government. Under the ESS, the Group had to spend these grants on payroll expenses, and not reduce the number of employees below the prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program. No government grant is received by the Group for the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. FAIR VALUE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HK\$	2022 HK\$
Realised losses		
–from listed shares in Hong Kong	(1,240,020)	(10,482,576)
	(1,240,020)	(10,482,576)
Unrealised (losses)/gains		
–from listed shares in Hong Kong	(16,739,776)	(9,707,461)
–from unlisted investments	(3,383,224)	1,554,755
	(20,123,000)	(8,152,706)
	(21,363,020)	(18,635,282)

The listed shares and unlisted investments are all classified as financial assets at FVTPL.

Realised losses on disposals of financial assets at FVTPL amounted to HK\$1,240,020 (2022: realised losses of HK\$10,482,576), representing the difference between the financial assets initial carrying amount upon initial recognition (usually their costs) and disposal consideration amount. Unrealised losses amounted to HK\$20,123,000 (2022: unrealised gains of HK\$8,152,706) comprise the change in fair value of financial assets at FVTPL for the period and from the reversal of the prior period or current period unrealised gains and losses for financial instruments upon realisation in the reporting period.

10. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2023 HK\$	2022 HK\$
Auditor's remuneration	350,000	350,000
Staff cost (including directors):		
– Directors' fee and salaries	2,343,277	2,905,724
– Contribution on defined contribution mandatory provident fund scheme	69,000	80,978
Consulting fee	2,531,668	1,160,000
Expenses related to short term lease	252,136	240,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

a) The remuneration of the directors for the year ended 31 December 2023 is disclosed as follows:

	Basic salaries,						Total HK\$	
	housing benefits, other		Discretionary bonuses and/or					
	allowances and benefits	Retirement benefits	performance- related	Compensation for loss of office	Inducement for joining the Group			
	Fees HK\$	in kind HK\$	contributions HK\$	bonuses HK\$	office HK\$	for joining the Group HK\$		
Executive directors:								
Lewis Chan	240,000	–	12,000	–	–	–	252,000	
Leong Chi Wai	240,000	–	12,000	–	–	–	252,000	
Su Chun Xiang	240,000	–	–	–	–	–	240,000	
Non-executive directors:								
Chan Pui Kwan	180,000	–	9,000	–	–	–	189,000	
Lam Chi Keung*	120,000	–	–	–	–	–	120,000	
Independent non-executive directors:								
Chen Yeung Tak	180,000	–	–	–	–	–	180,000	
Leung Ka Kui**	73,548	–	–	–	–	–	73,548	
Jochum Siebren Haakma	100,000	–	–	–	–	–	100,000	
Tang Chin Ting***	26,129	–	–	–	–	–	26,129	
	1,399,677	–	33,000	–	–	–	1,432,677	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

b) The remuneration of the directors for the year ended 31 December 2022 is disclosed as follows:

	Basic salaries,		Discretionary				Total HK\$
	housing benefits, other allowances and Fees HK\$	benefits in kind HK\$	Retirement benefits contributions HK\$	bonuses and/or performance- related bonuses HK\$	Compensation for loss of office HK\$	Inducement for joining the Group HK\$	
Executive directors:							
Lewis Chan	240,000	-	12,000	-	-	-	252,000
Leong Chi Wai	240,000	-	12,000	-	-	-	252,000
Su Chun Xiang	240,000	-	-	-	-	-	240,000
Non-executive directors:							
Chan Pui Kwan	180,000	-	9,000	-	-	-	189,000
Lam Chi Keung*	70,000	-	-	-	-	-	70,000
Li Peng****	75,000	-	-	-	-	-	75,000
Independent non-executive directors:							
Chen Yeung Tak	180,000	-	-	-	-	-	180,000
Leung Ka Kui**	70,000	-	-	-	-	-	70,000
Ruan Zhi*****	50,000	-	-	-	-	-	50,000
Jochum Siebren Haakma	100,000	-	-	-	-	-	100,000
	1,445,000	-	33,000	-	-	-	1,478,000

* Mr. Lam Chi Keung has been appointed as non-executive director with effect from 31 May 2022 and has resigned as non-executive director on 20 March 2024.

** Mr. Leung Ka Kui has been appointed as independent non-executive director with effect from 31 May 2022 and has resigned as independent non-executive director on 11 August 2023.

*** Mr. Tang Chin Ting has been appointed as independent non-executive director with effect from 13 October 2023.

**** Ms. Li Peng has retired as non-executive director on 27 May 2022.

***** Mr. Ruan Zhi has retired as independent non-executive director on 27 May 2022.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were mainly for their services as directors of the Company. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the years ended 31 December 2023 and 2022, no directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

- c) The five highest paid individuals for the year ended 31 December 2023 included three directors (2022: two directors) and their emoluments are included in Note 11(a). The emoluments of the remaining two highest paid individuals (2022: three) are other employees and shown as follows:

	2023 HK\$	2022 HK\$
Salaries and other benefits	943,600	1,323,840
Retirement benefits contributions	36,000	47,978
	979,600	1,371,818

Analysis of the emoluments of the five highest paid individuals (including directors and other employees) by number of individuals and emolument ranges is as follows:

	2023 No. of individuals	2022 No. of individuals
Nil to HK\$1,000,000	5	5

During the years ended 31 December 2023 and 2022, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. INCOME TAX CREDIT

- a) The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2023 HK\$	2022 HK\$
Deferred tax credit	(56,171)	(415,792)

No provision for Hong Kong profits tax has been made in these consolidated financial statements as the Company and its subsidiaries have sustained estimated tax losses for the years ended 31 December 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12. INCOME TAX CREDIT (Continued)

- b) Deferred tax liabilities recognised are analysed as follows:

	Unrealised gains/(losses) on financial assets at fair value through profit or loss HK\$
At 31 December 2021 and 1 January 2022	982,139
Credit for the year	(415,792)
At 31 December 2022 and 1 January 2023	566,347
Credit for the year	(56,171)
At 31 December 2023	<u>510,176</u>

- c) Reconciliation between income tax credit and the loss before taxation per the consolidated statement of profit or loss and other comprehensive income at the statutory income tax rate is set out below:

	2023 HK\$	2022 HK\$
Loss before taxation	<u>(28,381,550)</u>	(24,513,492)
Tax at the statutory income tax rate of 16.5% (2022: 16.5%)	(4,682,956)	(4,044,726)
Tax effect of income not taxable for tax purpose	(361,698)	(305,822)
Tax effect of expenses not deductible for tax purpose	3,333,969	1,110,575
Tax effect of temporary differences not recognised	(71,672)	(181,172)
Tax effect of unused tax losses not recognised	1,726,186	3,005,353
Income tax credit	<u>(56,171)</u>	(415,792)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12. INCOME TAX CREDIT (Continued)

- d) Deferred tax asset has not been recognised in respect of the following temporary differences:

	2023 HK\$	2022 HK\$
Unused tax losses	105,383,031	94,921,293
Other deductible temporary differences	10,996,098	6,673,910
	116,379,129	101,595,203

At the end of the reporting period, the Group had unutilised tax losses of approximately HK\$105,383,000 (2022: HK\$94,921,000) available for offsetting against future taxable profit.

No deferred tax asset has been recognised in respect of the above items due to the unpredictability of future profit streams. The tax losses and other deductible temporary differences, representing the accelerated tax depreciation and unrealised loss of financial assets at FVTPL, do not expire under current tax legislation.

13. LOSS PER SHARE

The basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK\$28,325,379 (2022: HK\$24,097,700) and the weighted average number of 2,735,280,000 (2022: 2,735,280,000) ordinary shares in issue during the year.

Dilutive loss per share is the same as the basic loss per share as the Company has no dilutive potential ordinary shares in issue for both 2023 and 2022.

The directors do not recommend payment of the final dividend for the year ended 31 December 2023 (2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14. PARTICULAR OF SUBSIDIARIES

Particulars of subsidiaries as at 31 December 2023 and 2022 are as follows:

Name of subsidiary	Place of incorporation	Issued and fully paid ordinary share capital	Percentage of equity interest held		Principal activity
			Directly %	Indirectly %	
Equity Merit International Limited	British Virgin Islands ("BVI")	US\$1	100	–	Trading of securities
Peak Star Group Limited	BVI	US\$1	100	–	Investment in unlisted debt securities
Genius Pro Asia Limited	BVI	US\$1	100	–	Investment holding
United Solutions International Limited	BVI	US\$1	100	–	Investment in listed equity securities
Nova System International Limited	BVI	US\$1	100	–	Investment in unlisted equity securities
Super Bloom Investments Limited	Hong Kong	HK\$1	–	100	Investment in unlisted equity securities
Venture Glory Enterprises Limited	BVI	US\$1	100	–	Investment in listed equity securities
Key Summit Enterprises Limited	BVI	US\$1	100	–	Investment in listed equity securities
Wealth Champion Group Limited	Hong Kong	HK\$1	100	–	Provision of management services
Royal Money International Limited	Hong Kong	HK\$1	100	–	Provision of management services
Rich Way Asia Corporation	BVI	US\$1	100	–	Dormant

All subsidiaries operate in Hong Kong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 HK\$	2022 HK\$
Other receivables (<i>Note 1 and 2</i>)	1,725,805	20,843,443
Deposits	70,061	245,061
Prepayments	2,541,336	648,686
	4,337,202	21,737,190

Notes:

- As at 31 December 2023, the balances placed in broker securities accounts of HK\$1,725,805 (2022: HK\$843,443) were included in other receivables.
- As at 31 December 2022, the other receivables included an amount due from a related party of HK\$20,000,000. On 7 January 2022, the Group invested in a private Fund (the "Fund") incorporated in the Cayman Islands, by subscribing 20,000 participating, non-redeemable, non-voting class A shares with a subscription amount of HK\$20,000,000. On 29 June 2022, the Group has withdrawn from the investment, therefore the full amount of HK\$20,000,000 was recorded as an amount due from a related party. The amount was unsecured, interest free and repayable on demand as at 31 December 2022. During the year ended 31 December 2023, the balance has been fully refunded to the Group.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HK\$	2022 HK\$
Equity securities listed in Hong Kong at fair value	64,480,585	75,766,706
Unlisted equity securities at fair value	784,736	4,167,960
Unlisted investment funds	5,190,000	–
	70,455,321	79,934,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

a) Details of the listed equity securities in Hong Kong are as follows:

Name of investee	Fair value		Unrealised gain/loss for the year		% of the total assets of the Group		Net assets attributable to the Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
UBA Investments Limited	180,680	280,054	(99,374)	(115,295)	0.24%	0.27%	605,278	650,448
Upbest Group Limited	12,426,240	11,584,100	2,043,720	(4,349,672)	16.56%	11.19%	19,956,994	21,181,033
Bank of China Limited	-	363,520	(16,992)	5,071	-	0.35%	-	4,367,408
Ausupreme International Holdings Limited	7,860,930	7,144,000	1,938,003	(1,772,595)	10.47%	6.9%	7,270,273	7,763,969
Gemilang International Limited	1,881,313	4,515,150	(2,633,838)	2,183,255	2.51%	4.36%	3,285,308	3,771,036
Kwong Man Kee Group Limited	11,619,270	11,470,305	148,965	(2,085,510)	15.48%	11.08%	6,365,949	5,693,755
PCCW Limited	832,000	936,320	217,741	(10,838)	1.11%	0.90%	250,684	426,204
Cathay Pacific Airways Limited	-	102,240	(13,382)	14,585	-	0.10%	-	127,587
I-Control Holdings Limited	3,687,320	7,703,850	(4,072,708)	(2,306,209)	4.91%	7.44%	3,064,940	3,260,763
Bank of Communication Company Limited	-	1,122,500	170,537	440,231	-	1.08%	-	7,998,488
Power Assets Holdings Limited	905,000	1,132,875	187,708	150,297	1.21%	1.09%	832,920	1,078,849
MTR Corporation Limited	3,333,000	4,548,500	(1,215,500)	(55,000)	4.44%	4.39%	3,164,474	3,155,738
True Partner Capital Holdings Limited	850,500	1,701,000	(850,500)	(252,000)	1.13%	1.64%	500,115	899,640
Pacific Century Premium Development Limited	390,400	600,000	(209,600)	(335,734)	0.52%	0.58%	535,365	1,318,787
Swire Pacific Limited	2,082,150	687,000	89,722	337,160	2.77%	0.66%	11,939,879	3,718,323
Kidztech Holdings Limited	-	-	-	435,962	-	0.00%	-	-
China Construction Bank Corporation	2,092,500	2,298,300	169,462	(43,536)	2.79%	2.22%	6,376,726	6,229,723
Yuzhou Group Holdings Company Limited	-	89,000	101,245	(39,000)	-	0.09%	-	1,242,123
Standard Chartered PLC	359,425	-	14,655	18,484	0.48%	0.00%	811,582	8,583
CK Hutchison Holdings Limited	-	93,700	(4,562)	9,190	-	0.09%	-	332,694
Harbour Equine Holdings Limited (formerly known as Shen You Holdings Limited)	3,518,717	8,197,012	(4,678,294)	(1,613,611)	4.69%	7.92%	2,093,962	3,584,931
Goldstone Capital Group Limited (formerly known as Youth Champ Financial Group Holdings Limited)	8,922,500	9,200,000	(7,807,088)	(181,348)	11.89%	8.89%	1,397,500	1,324,235
AIA Group Limited	-	86,800	(800)	800	-	0.08%	-	27,397
SenseTime Group Inc.	232,000	44,400	(98,471)	(29,715)	0.31%	0.04%	152,207	27,129
Shanghai MicroPort MedBot (Group) Co., Ltd.	125,100	636,000	134,334	(124,988)	0.17%	0.61%	3,455	47,225
Hong Kong Exchanges and Clearing Limited	643,200	539,520	(56,745)	55,065	0.86%	0.52%	98,049	63,225
China Ludao Technology Company Limited	2,292,640	650,720	(83,179)	(43,284)	3.05%	0.63%	2,282,843	617,523
Tracker Fund of Hong Kong	-	39,840	(774)	774	-	0.04%	-	39,820
Meituan-W	245,700	-	(114,061)	-	0.33%	-	80,305	-
	64,480,585	75,766,706	(16,739,776)	(9,707,461)				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

b) Details of the unlisted equity securities are as follows:

Name of investee	Proportion of share capital owned	Fair value		Unrealised gain/(loss) for the year		% of total assets of the Group	
		2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023	2022
廣州市金洋水產養殖有限公司	1.60%	784,736	4,167,960	(3,383,224)	1,554,755	1.05%	4.03%

c) Details of the unlisted investment funds are as follows:

Name of investee	Proportion of share owned	Fair value		Unrealised gain/(loss) for the year		% of total assets of the Group	
		2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023	2022
P. B. Capital Advanced Fund 3 Segregated Portfolio	100%	5,190,000	-	-	-	6.91%	-

As at 31 December 2023, the Group holds participating shares of an investment fund with fair value of HK\$5,190,000 (2022: HK\$nil).

17. CASH AND BANK BALANCES

	2023 HK\$	2022 HK\$
Bank balances	265,674	1,849,111

Cash and bank balances included an amount of approximately HK\$56,000 (2022: HK\$56,000) which is denominated in RMB, US\$ and Euro as at 31 December 2023.

18. OTHER PAYABLES AND ACCRUALS

As at 31 December 2023 and 2022, the other payables and accruals in the current liabilities include the provision for reinstatement of leased office premise of HK\$5,000, on which the tenancy will expire within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19. SHARE CAPITAL

	Number of shares		Share capital	
	2023	2022	2023	2022
		HK\$		HK\$
Ordinary shares of HK\$0.01 each				
Authorised	4,000,000,000	4,000,000,000	40,000,000	40,000,000
At 1 January and 31 December	2,735,280,000	2,735,280,000	27,352,800	27,352,800

20. LEASES

The Group leases one property (2022: one property) as lessee in Hong Kong. All leases comprise fixed payments over the lease term as at 31 December 2023 and 2022. The lease agreement of a 12-month lease term without extension. Therefore, such lease is classified as short-term lease and falls into exemption of recognition of right-of-use assets and lease liabilities.

21. RESERVES

The reserves consists of share premium, which represents the premium arising from issuance of shares at a premium, and accumulated losses which represents the cumulative net gains and losses recognised in profit or loss.

22. NET ASSET VALUE PER SHARE

	2023	2022
	HK\$	HK\$
Net asset value per share	0.03	0.04

The calculation of net asset value per share is based on the net assets of HK\$74,191,021 (2022: HK\$102,516,400) and 2,735,280,000 (2022: 2,735,280,000) ordinary shares in issue as at 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, during the year, the Group had the following material transactions with its related parties:

	<i>Notes</i>	2023 HK\$	2022 HK\$
Custodian fee paid to Bank of Communication Trustee Limited	(a)	35,180	35,427
Analytical fee paid to P.B. Global Asset Management Limited	(b)	568,895	800,000

- a) Pursuant to a custodian agreement dated 30 June 2009 between the Company and Bank of Communication Trustee Limited as a custodian, the custodian agrees to provide securities custodian services to the Company including the safe custody of the Group's securities and the settlement of the securities of the Group, the collection of dividends and other entitlements on behalf of the Group.

The custodian is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules, but the custodian fee falls below the de-minimis threshold under Rule 14A.33 of the Listing Rules.

- b) Pursuant to an analytical service agreement dated 1 June 2020 between the Company and P.B. Global Asset Management Limited ("PBGAM"), PBGAM will provide analytical services on investing in listed companies in Hong Kong.

PBGAM is the investment manager of a substantial shareholder. In accordance to Rule 14A.07 of the Listing Rules, PBGAM is regarded as a connected person of the Company but the services fee falls below the exemption under Rule 14A.76(1)(c) of the Listing Rules.

- c) The remuneration of directors and the highest paid employees during the year are disclosed in Note 11.

The above-mentioned transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties involved.

The related party transactions in respect of items (a) to (b) above also fall under the definition of connected transactions or continuing connected transactions in Chapter 14A of the Listing Rules. The Company has complied with the requirements in accordance with Chapter 14A of the Listing Rules.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

- a) Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2023 HK\$	2022 HK\$
Non-current assets		
Investments in subsidiaries	64	64
Loans to subsidiaries	16,940,000	17,810,000
Amounts due from subsidiaries	12,726,832	11,450,371
	29,666,896	29,260,435
-----	-----	-----
Current assets		
Loans to subsidiaries	12,497,360	12,497,360
Other receivables, deposits and prepayments	3,373,798	21,408,189
Financial assets at fair value through profit or loss	42,266,305	40,056,759
Cash and bank balances	134,229	1,476,695
	58,271,692	75,439,003
-----	-----	-----
Current liabilities		
Other payables and accruals	352,000	433,220
	Net current assets	75,005,783
	Total assets less current liabilities	104,266,218
Non-current liabilities		
Amounts due to subsidiaries	1,964,822	1,821,236
	Net assets	102,444,982
	Capital and reserves	
Share capital	27,352,800	27,352,800
Reserves (<i>Note 24(b)</i>)	58,268,966	75,092,182
	Total equity	102,444,982

The statement of financial position of the Company was approved and authorised for issue by the board of directors on 27 March 2024.

Leong Chi Wai
Executive Director

Su Chunxiang
Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

b) A summary of the Company's reserves is as follows:

	Share premium HK\$	Accumulated losses HK\$	Total HK\$
Balance as at 31 December 2021 and 1 January 2022	274,083,823	(184,390,847)	89,692,976
Loss and total comprehensive expenses for the year	–	(14,600,794)	(14,600,794)
Balance as at 31 December 2022 and 1 January 2023	274,083,823	(198,991,641)	75,092,182
Loss and total comprehensive expenses for the year	–	(16,823,216)	(16,823,216)
Balance as at 31 December 2023	274,083,823	(215,814,857)	58,268,966

25. PARTICULARS OF MAJOR INVESTMENTS

Particulars of major investments held by the Group as at 31 December 2023 are as follows:

i) Listed equity securities

Upbest Group Limited ("Upbest Group")

Upbest Group is incorporated in the Cayman Islands and is principally engaged in financial business.

The Group holds 19,416,000 (2022: 21,062,000) shares in Upbest Group, representing 0.72% (2022: 0.79%) interest in the issued share capital of Upbest Group with a corresponding investment cost of HK\$14,139,629 (2022: HK\$15,341,209) and derived a dividend income of HK\$421,240 (2022: HK\$448,800) for the year ended 31 December 2023. Based on the interim report for the six months ended at 30 September 2023 (2022: 30 September 2022), the net asset value of Upbest Group were approximately HK\$2,757,055,000 (2022: HK\$2,697,476,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25. PARTICULARS OF MAJOR INVESTMENTS (Continued)

i) Listed equity securities (Continued)

i-Control Holdings Limited ("i-Control")

i-Control is incorporated in the Cayman Islands and is principally engaged in provision of video conferencing and multimedia audio visual solutions.

The Group holds 20,260,000 (2022: 20,010,000) shares in i-Control, representing 1.93% (2022: 1.90%) interest in the issued share capital of i-Control with a corresponding investment cost of HK\$9,156,472 (2022: HK\$9,100,295) and derived a dividend income of HK\$343,910 (2022: HK\$97,050) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of i-Control were approximately HK\$158,920,000 (2022: HK\$171,186,000).

Ausupreme International Holdings Limited ("Ausupreme")

Ausupreme is incorporated in the Cayman Islands and is principally engaged in developing marketing, selling and distributing of health and personal care products, classified by health supplement products, honey and pollen products and personal care products.

The Group holds 34,030,000 (2022: 38,000,000) shares in Ausupreme, representing 4.47% (2022: 4.99%) interest in the issued share capital of Ausupreme with a corresponding investment cost of HK\$9,159,036 (2022: HK\$10,380,109) and derived a dividend income of HK\$364,150 (2022: HK\$363,250) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Ausupreme were approximately HK\$162,796,000 (2022: HK\$155,688,000).

Kwong Man Kee Group Limited ("Kwong Man Kee")

Kwong Man Kee is incorporated in the Cayman Islands and is principally engaged in provision of carpark flooring services and ancillary services.

The Group holds 29,793,000 (2022: 29,793,000) shares in Kwong Man Kee, representing 4.99% (2022: 4.97%) interest in the issued share capital of Kwong Man Kee with a corresponding investment cost of HK\$9,979,864 (2022: HK\$9,979,864) and derived a dividend income of HK\$297,930 (2022: HK\$148,965) for the year ended 31 December 2023. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Kwong Man Kee were approximately HK\$127,657,430 (2022: HK\$117,055,875).

Gemilang International Limited ("Gemilang")

Gemilang is incorporated in the Cayman Islands and is principally engaged in design and manufacture of bus bodies and assemble buses.

The Group holds 7,525,250 (2022: 7,525,250) shares in Gemilang, representing 2.99% (2022: 3.00%) interest in the issued share capital of Gemilang with a corresponding investment cost of HK\$6,758,627 (2022: HK\$6,758,627) and derived a dividend income of HK\$nil (2022: HK\$173,749) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 October 2023 (2022: 31 October 2022), the net asset value of Gemilang were approximately HK\$109,738,310 (2022: HK\$126,142,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25. PARTICULARS OF MAJOR INVESTMENTS (Continued)

i) Listed equity securities (Continued)

Harbour Equine Holdings Limited ("Harbour Equine")

Harbour Equine (Formerly known as Shen You Holdings Limited) is incorporated in the Cayman Islands and is principally engaged in the manufacture and trading of sewing threads and broad categories of garment accessories, the provision of interior design, fitting out and decoration services, and equine services.

The Group holds 19,992,711 (2022: 19,992,711) shares in Harbour Equine, representing 4.89% (2022: 4.90%) interest in the issued share capital of Harbour Equine with a corresponding investment cost of HK\$7,956,824 (2022: HK\$7,956,824). No dividend income was received for the year ended 31 December 2023 and 2022. Based on the third quarter financial statements for the nine months ended 30 September 2023 (2022: annual financial statements for the year ended 31 December 2022), the net asset value of Harbour Equine were approximately HK\$42,852,000 (2022: HK\$67,928,000).

Bank of Communication Company Limited ("Bank of Communication")

Bank of Communication is incorporated in the People's Republic of China and is principally engaged in provision of corporate and personal banking services conducting treasury business, provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The Group holds nil shares (2022: 205,000) in Bank of Communication on 31 December 2023, representing nil (2022: 0.0006%) interest in the issued share capital of Bank of Communication with a corresponding investment cost of HK\$nil (2022: HK\$1,293,037) and derived a dividend income of HK\$14,673 (2022: HK\$76,762) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2022, the net asset value of Bank of Communication were approximately HK\$1,168,314,720,000.

China Construction Bank Corporation ("CCB")

CCB is incorporated in the People's Republic of China and is principally engaged in provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The Group holds 450,000 (2022: 470,000) shares in CCB, representing 0.0002% (2022: 0.0002%) interest in the issued share capital of CCB with a corresponding investment cost of HK\$2,339,265 (2022: HK\$2,714,527) and derived a dividend income of HK\$231,671 for the year ended 31 December 2023 (2022: HK\$155,259). Based on the third quarter financial statements for the nine months ended 30 September 2023 (2022: annual financial statements for the year ended 31 December 2022), the net asset value of CCB were approximately HK\$3,406,834,200,000 (2022: HK\$3,247,241,280,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25. PARTICULARS OF MAJOR INVESTMENTS (Continued)

i) Listed equity securities (Continued)

MTR Corporation Limited ("MTR")

MTR is incorporated in the Hong Kong and is principally engaged in railway operation.

The Group holds 110,000 (2022: 110,000) shares in MTR, representing 0.002% (2022: 0.002%) interest in the issued share capital of MTR with a corresponding investment cost of HK\$4,845,536 (2022: HK\$4,845,536) and derived a dividend income of HK\$144,100 (2022: HK\$158,400) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of MTR were approximately HK\$178,856,000,000 (2022: HK\$179,912,000,000).

Goldstone Capital Group Limited ("Goldstone Capital")

Goldstone Capital (Formerly known as Youth Champ Financial Group Holdings Limited) is incorporated in the Bermuda and is principally engaged in investments in listed and unlisted enterprises.

The Group holds 21,500,000 (2022: 11,500,000) shares in Goldstone Capital, representing 9.06% (2022: 4.85%) interest in the issued share capital of Goldstone Capital with a corresponding investment cost of HK\$16,910,936 (2022: HK\$9,381,348). No dividend was received during the years ended 31 December 2023 and 2022. Based on the interim report for the six months ended 30 September 2023 (2022: 30 September 2022), the net asset value of Goldstone Capital were approximately HK\$17,507,000 (2022: HK\$27,322,000).

Swire Pacific Limited ("Swire")

Swire Pacific Limited is incorporated in the Hong Kong and is principally engaged in property, beverages, aviation, and trading and industrial businesses.

The Group holds 31,500 (2022: 10,000) shares in Swire, representing 0.004% (2022: 0.002%) interest in the issued share capital of Swire with a corresponding investment cost of HK\$1,815,773 (2022: HK\$819,318) and derived a dividend income of HK\$197,570 (2022: HK\$53,925) for the year ended 31 December 2023. Based on the annual financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of Swire were approximately HK\$324,774,000,000 (2022: HK\$315,936,000,000).

China Ludao Technology Company Limited ("China Ludao")

China Ludao Technology Company Limited is incorporated in the Cayman Islands and is principally engaged in the manufacturing and sale of aerosol products for household and auto care, air fresheners, personal care products and insecticides and wholesales of personal care products and production related materials.

The Group holds 2,492,000 (2022: 664,000) shares in China Ludao, representing 0.51% (2022: 0.14%) interest in the issued share capital of China Ludao with a corresponding investment cost of HK\$2,419,103 (2022: HK\$650,720). No dividend was received during the years ended 31 December 2023 and 2022. Based on the annual financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of China Ludao were approximately HK\$450,522,600 (2022: HK\$426,795,480).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25. PARTICULARS OF MAJOR INVESTMENTS (Continued)

ii) Unlisted equity securities

廣州市金洋水產養殖有限公司 (“金洋水產”)

金洋水產 is incorporated in the People's Republic of China and is principally engaged in business of aquacultural and feed production during the year.

The Group holds 1.6% (2022: 1.6%) equity interest in 金洋水產 with a corresponding investment cost of HK\$4,219,243 (2022: HK\$4,219,243). No dividend was received during the years ended 31 December 2023 and 2022. Based on the unaudited financial statements for the year ended 31 December 2023 (2022: 31 December 2022), the net asset value of 金洋水產 were approximately HK\$206,104,000 (2022: HK\$249,766,000). The Group's share of the net asset value of 金洋水產 was approximately HK\$3,298,000 (2022: HK\$3,996,000).

iii) Unlisted investment funds

P.B. Capital Advanced Fund 3 Segregated Portfolio (“Fund”)

The Fund is incorporated in the Cayman Islands. The investment objective of the Fund is to achieve earnings in the form of short-term capital appreciation mainly through investments in potential projects that can bring in considerable income.

On 28 December 2023, the Group subscribes 5,190 (2022: nil) participating, non-redeemable, non-voting class A shares with a subscription amount of HK\$5,190,000 (2022: nil). No investment income was received during the years ended 31 December 2023 and 2022. As at 31 December 2023, the net asset value of Fund was approximately HK\$5,190,000 (2022: nil).