TOM Group Limited

2024 ANNUAL REPORT

Incorporated in the Cayman Islands with Limited Liability
(Stock Code: 2383)

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Disclaimer

If there is any inconsistency or conflict between the English and the Chinese versions, the English version shall prevail.

Corporate Information

Board of Directors

Chairman
Frank John Sixt

Executive Director
Yeung Kwok Mung

Non-executive Directors
Chang Pui Vee, Debbie
Lee Pui Ling, Angelina

Independent Non-executive Directors
James Cheng-Jee Sha
Fong Chi Wai, Alex
Chan Tze Leung

Alternate Director
Lai Kai Ming, Dominic
(Alternate to Frank John Sixt)

Company Secretary
Man Tak Cheung

Authorised Representatives
Yeung Kwok Mung
Man Tak Cheung

Auditor
PricewaterhouseCoopers
(Certified Public Accountants and Registered PIE Auditor)

Audit Committee
Fong Chi Wai, Alex *(Committee Chairman)*
James Cheng-Jee Sha
Lee Pui Ling, Angelina
Chan Tze Leung

Remuneration Committee
Fong Chi Wai, Alex *(Committee Chairman)*
Frank John Sixt
Chan Tze Leung

Nomination Committee
James Cheng-Jee Sha *(Committee Chairman)*
Frank John Sixt
Chan Tze Leung

Sustainability Committee
Yeung Kwok Mung *(Committee Chairman)*
Fong Chi Wai, Alex
Man Tak Cheung

Principal Bankers
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Bank of China (Hong Kong) Limited
DBS Bank Ltd., Hong Kong Branch
Citibank, N.A., Hong Kong Branch
United Overseas Bank Limited
Bank of America, N.A.
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

Corporate Profile and Financial Highlights

TOM Group Limited (stock code: 2383) is a technology and media company listed on the Main Board of the Stock Exchange of Hong Kong. TOM Group has technology operations in Social Network and Mobile Internet; investments in E-Commerce, Fintech and Advanced Data Analytics sectors. In addition, its media businesses cover both publishing and advertising segments. Headquartered in Hong Kong, the Group has regional headquarters in Beijing and Taipei with approximately 1,100 employees. TOM Group is a member of CK Hutchison Holdings Limited.

For the year ended 31 December

In HK$ Thousands	**2024**	2023	2022	2021	2020
Results					
Revenue					
Technology Platform and Investments					
E-Commerce	**–**	–	3,168	4,543	5,650
Mobile Internet	**5,034**	6,169	7,037	8,405	9,423
Social Network	**15,427**	22,694	36,025	41,864	47,405
	20,461	28,863	46,230	54,812	62,478
Media Business					
Publishing	**702,673**	740,844	764,982	811,614	772,091
Advertising	**23,882**	14,739	18,909	22,944	33,401
	726,555	755,583	783,891	834,558	805,492
Total	**747,016**	784,446	830,121	889,370	867,970
(Loss)/profit before net finance costs and taxation	**(17,948)**	(8,212)	286,478	(37,402)	(1,071,681)
(Loss)/profit attributable to equity holders of the Company	**(256,031)**	(221,426)	142,420	(114,106)	(1,063,933)
Financial Position					
Total assets	**2,801,213**	3,007,900	3,202,222	3,027,776	3,025,594
Total liabilities	**(4,465,109)**	(4,298,361)	(4,127,448)	(4,038,342)	(3,941,755)
Total deficit	**(1,663,896)**	(1,290,461)	(925,226)	(1,010,566)	(916,161)

Chairman's Statement

In 2024, TOM Group continued to focus on our growth opportunities including our investments in China rural e-commerce/supply chain, fintech and advanced data analytics, and of course the continuing digital development of our publishing business.

Elevated economic and geopolitical uncertainties, the strong US dollar, persistent inflation, and high interest rates all impacted business confidence and customer spending in 2024. Against these headwinds, the Group's consolidated revenue decreased by 4.8%, totaling HK$747 million. Gross revenues from Media businesses and Technology Platform and Investments were HK$727 million and HK$21 million respectively.

The Group's loss before net finance costs and taxation and loss attributable to shareholders were HK$18 million and HK$256 million respectively, primarily due to higher finance costs and no reversal of impairment loss in 2024. Excluding the one-off effect of reversal of impairment loss of approximately HK$14 million in relation to Ule and goodwill impairment of approximately HK$8 million for Social Network Group in 2023, the loss before net finance costs and taxation in 2024 increased to HK$18 million from HK$15 million in 2023.

Ule, the Group's investment in E-Commerce business with China Post, achieved growth in its rural e-commerce business with a focus on supply chain innovation. Net loss of Ule narrowed by 85.9% from RMB77 million in 2023 to RMB11 million in 2024. No reversal of impairment loss was recorded during the year.

The Publishing Group in Taiwan upheld its leadership position in its markets. While facing headwinds including unfavorable foreign exchange translation, and geopolitical uncertainty, the Publishing Group demonstrated resilience and reported gross revenue of HK$703 million and segment profit of HK$60 million for the year. The publishing markets in Taiwan remain challenging, and the Group will continue to pursue opportunities for revenue diversification and step up the digital adoption of this business.

Pixnet, the Group's social digital media business, is a well known user generated content platform in Taiwan. Gross revenue of Pixnet was HK$16 million, and segment loss was HK$13 million for the year.

Chairman's Statement

Going forward, management will selectively pursue growth opportunities while maintaining stable performance in our businesses. The Group will also maintain a prudent financial profile by closely monitoring operating and capital expenditures and investments, and implementing disciplined cash flow and working capital management.

I would like to take this opportunity to thank our shareholders, business partners, the management and all our dedicated staff for their contribution to the Group.

Frank John Sixt
Chairman

Hong Kong, 10 March 2025

BUSINESS REVIEW

In 2024, geopolitical tensions and economic concerns continued to present a challenging operating environment for businesses in the Greater China region. During the review period, TOM Group continued to drive revenue growth while remaining focused on achieving efficiencies and optimising costs to further enhance operating performance. Gross revenue from the Group's Media Business was HK$727 million with a segment profit of HK$59 million. Gross revenue from the Group's Technology Platform and Investments was HK$21 million with a segment loss of HK$20 million.

Media Business

TOM Group's media and publishing arm in Taiwan, Cite, is a market leader in the industry. During the review period, Cite continued to expand new revenue streams with innovative digital offerings for its users and clients, and at the same time, optimised its operations and content products. Amid the slowdown of economic activity due to the presidential election in Taiwan in early 2024, coupled with conservative consumer sentiment in the domestic market, the Publishing Group recorded a gross revenue of HK$703 million and a segment profit of HK$60 million during the review period.

The Group's traditional advertising business in Mainland China has benefited from several measures initiated by the Chinese government to stabilise the housing market in the third quarter of 2024. During the review period, the Advertising Group recorded a gross revenue of HK$24 million with segment loss narrowed to HK$0.4 million.

Technology Platform and Investments

Pixnet is the Group's social media business in Taiwan focusing on food, lifestyle and travel. During the review period, Taiwan's technology sectors, especially Semiconductors, have benefitted from emerging technologies, whereas old economy industries have shown continued weakness. As Taiwan's consumer confidence index continued to drop during the fourth quarter of 2024, Pixnet was adversely impacted by the cutback of advertising spending by brand owners. Moreover, the changing of users' preference in watching short-form content has disrupted many traditional content platforms. Against this backdrop, Pixnet recorded a gross revenue of HK$16 million and a segment loss of HK$13 million during the review period.

Management's Discussion and Analysis

TOM Group invested in WeLab, a leading pan-Asian fintech platform, in 2014. WeLab operates two digital banks as well as multiple online financial services in Hong Kong, Mainland China, and Indonesia. With 70 million users, WeLab has facilitated and originated over US$15 billion of loans. WeLab uses game-changing technology to help customers access credit, save money, and enjoy their financial journey. Powered by proprietary risk management technology, patented privacy computing techniques, and advanced AI capabilities, WeLab offers mobile-based consumer financing solutions and digital banking services to retail individuals and technology solutions to enterprise customers. WeLab operates in three markets under multiple brands, including WeLend and WeLab Bank in Hong Kong, various business lines in Mainland China, Maucash and Bank Saqu by Bank Jasa Jakarta in Indonesia. WeLab Bank is the most innovative company named by the Chinese University of Hong Kong and is also one of the first fully licensed digital banks in Asia. WeLab's Indonesia digital bank, Bank Saqu, continues to be a key focus, highlighted by strong momentum – attracting 2 million customers within 1 year of launch. As at 31 December 2024, TOM Group owns 7.96% in WeLab on an issued basis.

In March 2020, TOM Group invested in MioTech which is a leading sustainability data and software provider in Asia. Over the past year, MioTech's corporate ESG and Sustainability software ESGhub has become dominant in Mainland China, Hong Kong, and Southeast Asia, overtaking many consulting firms as a major player in sustainability reporting and data management. On the data side, MioTech further cemented its leading position as the ESG data and software provider for financial institutions, especially in Asset Management and Commercial Banking. As at 31 December 2024, TOM Group owns 6.22% of MioTech on an issued basis.

Ule, the Group's investment in E-Commerce business with China Post, achieved growth in its rural e-commerce business with a focus on supply chain innovation. Net loss of Ule narrowed by 85.9% from RMB77 million in 2023 to RMB11 million in 2024.

For the year ended 31 December 2024, the Group recorded a 4.8% decrease in revenue to HK$747 million with a gross profit margin of 40.7%. The Group's loss before net finance costs and taxation and loss attributable to shareholders were HK$18 million and HK$256 million respectively, primarily due to higher finance costs and no reversal of impairment loss in 2024. Excluding the one-off effect of reversal of impairment loss of approximately HK$14 million in relation to Ule and goodwill impairment of approximately HK$8 million for Social Network Group in 2023, the loss before net finance costs and taxation in 2024 increased to HK$18 million from HK$15 million in 2023.

Going forward, TOM Group will continue to remain agile and prudent in managing its operations and investments in the Greater China region, and accelerate its digital business development to capture market opportunities and drive further growth.

FINANCIAL REVIEW

TOM Group reports its results in five business segments under two business streams, namely E-Commerce Group, Mobile Internet Group and Social Network Group of Technology Platform and Investments, and Publishing Group and Advertising Group of Media Business.

Consolidated Revenue

The Group's consolidated revenue amounted to HK$747 million, marking a 4.8% decrease from the prior year. This decline was mainly due to unfavorable foreign exchange rate impacts against the Hong Kong dollar, coupled with ongoing challenges related to geopolitical volatility and global economic uncertainties resulting from consistently high borrowing interest rates.

Segment Results

The segment result refers to loss before net finance costs and taxation, share of results of investments accounted for using the equity method, provision for impairment of goodwill and reversal of provision for impairment in amounts due from associated companies.

TOM Group remains dedicated to high growth potential sectors such as China rural e-commerce/supply chain, fintech and advanced data analytics. Ule, the Group's investment in E-Commerce business with China Post, sustained its focus on enhancing rural e-commerce through supply chain innovation. Net loss of Ule decreased significantly by 85.9% from RMB77 million in 2023 to RMB11 million. No reversal of impairment loss was recognised in 2024.

The Mobile Internet Group reported gross revenue of HK$5 million compared to HK$6 million in last year. The segment loss of HK$7 million was recorded in 2024.

The Social Network Group, represented by Pixnet, is a well known user generated content platform in Taiwan. Gross revenue was reported at HK$16 million with a segment loss of HK$13 million.

The Publishing Group maintains its position as the market leader in the Taiwan publishing industry. Despite facing challenges such as adverse foreign exchange effects and tough market conditions, the Publishing Group showed resilience by achieving a gross revenue of HK$703 million and a segment profit of HK$60 million. The Publishing Group will remain focused on optimising its operations and content products in this business segment while accelerating the development of innovative digital offerings and diversifying revenue stream to capitalise on growth opportunities.

The Advertising Group reported a gross revenue of HK$24 million compared to HK$15 million in last year. The segment loss of HK$0.4 million was recorded in 2024.

Share of Results of Investments Accounted for Using the Equity Method

The share of results is mainly contributed by the Group's share of result of Ule.

Loss before Net Finance Costs and Taxation

The Group's loss before net finance costs and taxation amounted to HK$18 million, compared to HK$8 million in last year. In 2023, a reversal of impairment loss of approximately HK$14 million and a goodwill impairment of approximately HK$8 million, which are non-cash in nature, were recognised for the Group's amounts due from Ule and for Social Network Group respectively. No reversal of impairment loss or goodwill impairment was recognised in 2024.

Excluding one-off effects for 2023 such as the reversal of provision for impairment in relation to Ule of approximately HK$14 million and the provision for impairment of goodwill for Social Network Group of approximately HK$8 million, the recurring loss before net finance costs and taxation increased from HK$15 million in last year to HK$18 million.

Loss Attributable to Equity Holders of the Company

The Group's loss attributable to equity holders of the Company was HK$256 million, compared to HK$221 million in last year. The increase in loss was primarily attributed to increased finance costs in 2024.

Liquidity and Financial Resources

As at 31 December 2024, TOM Group had cash and bank balances, excluding pledged deposits, of approximately HK$448 million. A total of HK$4,520 million financing facilities were available, of which HK$3,865 million, or 85.5%, had been utilised as at 31 December 2024, to finance the Group's investment, capital expenditures and for working capital purposes.

The principal of the total borrowings of TOM Group amounted to approximately HK$3,865 million as at 31 December 2024, which are denominated in Hong Kong dollar. The borrowings included long-term bank loans of approximately HK$3,865 million. All bank loans bore floating interest rates. The gearing ratio (Total principal amount of bank borrowings/(Total principal amount of bank borrowings + Deficit)) of TOM Group was 175.6% as at 31 December 2024, compared to 154.4% as at 31 December 2023.

As at 31 December 2024, the Group had net current assets of approximately HK$233 million, compared to the balance of approximately HK$335 million as at 31 December 2023. The current ratio (Current assets/Current liabilities) of TOM Group was 1.44 as at 31 December 2024, compared to 1.62 as at 31 December 2023. The Group recorded net liabilities of approximately HK$1,664 million as at 31 December 2024, compared to net liabilities of approximately HK$1,290 million as at 31 December 2023.

Management's Discussion and Analysis

In 2024, net cash outflow from operating activities after interest and taxation paid was HK$89 million. Net cash outflow from investing activities was HK$92 million, primarily due to capital expenditures of HK$139 million and investments in financial assets at fair value through other comprehensive income of HK$6 million, partially mitigated by decrease in short-term bank deposits of HK$44 million and dividends received of HK$7 million. During the year, net cash inflow from financing activities amounted to HK$157 million, mainly from the drawdown of bank loans and net of repayment, of HK$204 million, partially offset by lease principal payment of HK$22 million, payment of loan arrangement fee of HK$21 million and dividends paid to non-controlling interests of subsidiaries of HK$6 million.

Charges on Group Assets

As at 31 December 2024, the Group had restricted cash amounting to HK$5 million, being bank deposits mainly pledged in favour of certain publishing distributors as retainer fee for potential sales return, and banks as security for credit card and advance receipt in Taiwan.

Contingent Liabilities

As at 31 December 2024, the Group had no significant contingent liabilities.

Significant Investments

As at 31 December 2024, details of significant investments (with individual investment value of 5 per cent or more of the Group’s total assets) held by the Group were set out as follows:

Nature of investments	Number of shares held by the Group	Interests held on issued basis	Investment cost HK$	Carrying value HK$	Total assets of the Group HK$	Carrying value to total assets of the Group
(i) Ule						
– Ordinary shares	437,310,730	22.39%	94,251,000	359,696,000	2,801,213,000	12.84%
(ii) WeLab						
– Preferred shares	4,041,466	7.96%	303,277,000	689,805,000	2,801,213,000	24.63%

(i) Investment in Ule

The Group recorded investment in Ule as “investment accounted for using the equity method”. The principal business of Ule is investment holding. The subsidiaries of Ule principally undertake an e-commerce/supply chain business which focuses on owning and operating the mobile and internet-based e-marketplaces in rural areas of Mainland China.

During the year ended 31 December 2024, share of operating loss of HK$2,703,000 in the consolidated income statement and share of unrealised loss of HK$17,000 on revaluation of the investment in the consolidated statement of comprehensive income have been recorded by the Group for its investment in Ule. No dividend has been received from the investment in Ule during the year ended 31 December 2024.

The investment in Ule represents an opportunity to sustainable growth of the Group and to continue its business strategy of becoming a leading investor in the e-commerce/supply chain business in rural areas of Mainland China.

(ii) Investment in WeLab

The Group recorded investment in WeLab as “financial asset at fair value through other comprehensive income”. WeLab is a leading pan-Asian fintech company and one of the first fully licensed digital banks established in Asia.

During the year ended 31 December 2024, unrealised loss of HK$58,278,000 on revaluation of the investment in WeLab has been recorded by the Group. No realised gain or dividend has been received from this investment.

The Group believes that the investment in WeLab will create synergies with the Group’s other technology related businesses.

The above significant investments and other various investment portfolios of the Group are in line with the Group’s strategy to focus on high growth potential sectors such as e-commerce/supply chain, fintech and advanced data analytics.

Subsequent Events

There is no subsequent event after the reporting period which has material impact to the consolidated financial statements of the Group.

Foreign Exchange Exposure

The Group’s operations principally locate in Mainland China and Taiwan, with transactions and related working capital denominated in Renminbi and New Taiwan dollar respectively. In general, it is the Group’s policy for each operating entity to borrow in their local currencies, where necessary, to minimise currency risk. Overall, the Group is not exposed to significant foreign exchange risk, however, the Group will monitor this risk on an ongoing basis.

Employee Information

As at 31 December 2024, TOM Group had approximately 1,100 full-time employees. Employee costs, excluding Directors’ emoluments, amounting to HK$294 million for the year. All of the TOM Group companies are equal opportunity employers, with the selection and promotion of individuals being based on suitability for the position offered. The salary and benefit levels of the Group’s employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of TOM Group’s salary and bonus system, which is reviewed annually. A wide range of benefits including medical coverage and provident funds are also provided to employees. In addition, training and development programmes are provided on an ongoing basis throughout TOM Group. Social, sporting and recreational activities were arranged during the year for the employees on a Group-wide basis. Further information in relation to our employment and labour practices is set out in the standalone Sustainability Report to be published in April 2025.

Management's Discussion and Analysis

Past Performance and Forward-looking Statements

The performance and the results of operations of the Group contained in this 2024 Annual Report are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained in this 2024 Annual Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this 2024 Annual Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Disclaimer:
Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures, such as loss before net finance costs and taxation including share of results of investments accounted for using the equity method and excluding provision for impairment of goodwill, reversal of provision for impairment in amounts due from associated companies, and segment profit/(loss) are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported certain non-GAAP results to investors, it is considered the inclusion of non-GAAP measures provides consistency in the Group's financial reporting.

Directors' Profile

Frank John Sixt

aged 73, has been a Non-executive Director and the Chairman of the Company since 15 December 1999 and is a member of the Remuneration Committee and Nomination Committee of the Company respectively. He is also an executive director, group co-managing director and group finance director of CKHH, chairman of Hutchison Telecommunications (Australia) Limited ("HTAL"), an executive director of CK Infrastructure Holdings Limited ("CKI"), a non-executive director of TPG Telecom Limited and a director of Cenovus Energy Inc., and an alternate director of HTAL, HK Electric Investments Manager Limited as the trustee-manager of HK Electric Investments, and HK Electric Investments Limited. He has over four decades of legal, global finance and risk management experience, and possesses deep expertise in overseeing financial reporting system, risk management and internal control systems as well as sustainability issues and related risks. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Sixt holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

Yeung Kwok Mung

aged 60, has been the Chief Executive Officer and an Executive Director of the Company since 26 March 2008. He is also the Chairman of the Sustainability Committee of the Company. Prior to joining the Company, he was a director and chief executive officer of Horizons Ventures Limited and ChinaCare Investments Holdings Limited respectively, these companies are controlled by Ms. Chau Hoi Shuen and Cranwood Company Limited, the substantial shareholders of the Company within the meaning of Part XV of the SFO. Prior to that, Mr. Yeung worked at Mckinsey & Company, Inc. for over 6 years in Sydney, Melbourne and Hong Kong covering mainly the telecommunications, electronics and e-commerce industry sectors in the area of business strategy, business re-engineering and operational improvements. Mr. Yeung worked for Coca-Cola China Limited as director of Strategy for Coca-Cola Greater China. He also held management positions in business development and sales & marketing at General Electric. He holds a Bachelor of Science degree in Electrical Engineering and a Master of Science degree in Electrical Engineering and Computer Science from Massachusetts Institute of Technology.

Directors' Profile

Chang Pui Vee, Debbie

aged 74, has been a Non-executive Director of the Company since 5 October 1999. She holds a Bachelor of Arts degree from Hunter College, New York City. She has been directing business development in Mainland China for a number of years. She was a member of the People's Consultative Party of Beijing, Eastern City District and had served as a director of Beijing Oriental Plaza Company Limited. She is a director of Cranwood Company Limited, Schumann International Limited and Handel International Limited, which are substantial shareholders of the Company within the meaning of Part XV of the SFO.

Lee Pui Ling, Angelina

aged 76, is a Non-executive Director of the Company (re-designated in August 2004 from an Independent Non-executive Director appointed in January 2000) and a Member of the Audit Committee. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of CKI and Henderson Land Development Company Limited and an Independent Non-executive Director of Great Eagle Holdings Limited, all of which are listed companies.

James Cheng-Jee Sha

aged 74, was appointed as a Non-executive Director of the Company on 12 May 2000. He has been re-designated as an Independent Non-executive Director of the Company with effect from 4 August 2004. He is also the Chairman of the Nomination Committee and a member of the Audit Committee of the Company. He has held senior positions with a number of large Internet-related companies. Since November 1999, he has been a managing partner with Spring Creek Ventures, a partnership specialising in early stage venture investment and business consultation with Internet and infrastructure companies. He is currently serving on the board of directors of several start-up companies. His board memberships include Appstream, Armorize, E21, LiveABC, Optoplex and Mediostream. He also served as the chief executive officer for Sina.com. Prior to that, he was the senior vice president, Commerce Solutions, at Netscape Communications. He has also held senior positions with Actra Business Systems, Oracle's UNIX Product Division and the Advanced Systems Division of Wyse Technology. He holds a Master of Science degree in Electronic Engineering and Computer Science from the University of California, Berkeley, a Master of Business degree from Santa Clara University and a Bachelor of Science degree in Electronic Engineering from Taiwan University.

Directors' Profile

Fong Chi Wai, Alex

aged 68, has been an Independent Non-executive Director of the Company since 31 December 2019. He was a member of the Audit Committee of the Company from 31 December 2019 to 31 August 2020 and has been appointed as the Chairman of the Audit Committee of the Company since 31 August 2020. He is also the Chairman of the Remuneration Committee and a member of the Sustainability Committee of the Company. Dr. Fong was the chief executive officer of Hong Kong General Chamber of Commerce (the "Chamber") from 2006 to 2011. Prior to joining the Chamber, he served in the civil service for over 25 years, holding various senior positions in the Government of Hong Kong. Dr. Fong has a long record of public service providing both operational and policy-formulation expertise. Dr. Fong has been appointed as an independent non-executive director of HK Electric Investments and HK Electric Investments Limited, a company listed on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 2638), since December 2013. Dr. Fong is currently a director of HK Electric Investments Manager Limited and a director of The Hongkong Electric Company, Limited. Dr. Fong has been an independent non-executive director of Hutchison Port Holdings Management Pte. Limited since February 2020. He was an independent non-executive director of Power Assets Holdings Ltd., a company listed on the Stock Exchange (stock code: 6) and a substantial holder of Share Stapled Units for the purpose of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong), from December 2012 to January 2014. He was also an independent non-executive director of China United Venture Investment Limited, a company listed on the Growth Enterprise Market Board of the Stock Exchange (stock code: 8159), from January 2019 to August 2022.

Dr. Fong is an Adjunct Professor at the Hong Kong University Business School and the College of Business of the City University of Hong Kong. He is also an Adjunct Associate Professor at The Chinese University of Hong Kong Business School. Dr. Fong received a Bachelor of Social Science degree in Business and Economics from the University of Hong Kong in November 1978, a Master of Technology Management degree in Global Logistics Management from the Hong Kong University of Science and Technology in April 2007, a Master of Science degree in Global Finance from the New York University/Hong Kong University of Science and Technology in May 2009, and a Doctor of Business Administration degree and a Doctor of Philosophy degree from the City University of Hong Kong in 2017 and 2020 respectively.

Directors' Profile

Chan Tze Leung

aged 78, has been an Independent Non-executive Director of the Company since 31 August 2020. He is also a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee of the Company. He has been an independent non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited since May 2024. Mr. Chan was the chief executive officer of United Overseas Bank Limited, Hong Kong until his retirement in December 2011. He is an experienced banker with almost 40 years of experience in commercial and investment banking. Mr. Chan was an independent non-executive director of Hutchison Port Holdings Management Pte. Limited, a trustee-manager of Hutchison Port Holdings Trust which is listed in Singapore, from February 2011 to July 2023. Mr. Chan was a non-executive director of Sibanye Gold Limited, a company listed in Johannesburg and its American Depositary Receipt (ADR) are traded on the New York Stock Exchange, from May 2014 to September 2017. Mr. Chan was an independent non-executive director of Noble Group Limited from August 1996 until April 2017, and Quam Limited (now known as Quam Plus International Financial Limited), a company listed in Hong Kong, from October 2011 to September 2017. He was also a non-executive director of Dalton Foundation Limited, a charitable institution incorporated in Hong Kong which is the sponsoring body of Dalton School Hong Kong, a non-profit primary school. He was a senior adviser to Long March Capital Limited, a fund management company based in Beijing and Shanghai in partnership with leading Chinese institutions. He was chairman (non-executive director) of The Hour Glass (HK) Limited. He holds the Bachelor of Science (Econ) Honours from the University of London and a Master's degree in Business Administration from the University of Liverpool and is a Fellow of the Hong Kong Institute of Directors.

Lai Kai Ming, Dominic

aged 71, has been an Alternate Director to Mr. Frank John Sixt (Chairman) since 1 August 2016 and is an alternate to Mr. Frank Sixt, a member of the Remuneration Committee and Nomination Committee of the Company respectively. He is an executive director and group co-managing director of CKHH, chairman and non-executive director of Hutchison Port Holdings Management Pte. Limited as the trustee-manager of Hutchison Port Holdings Trust, a non-executive director and alternate director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), a director and alternate director of HTAL and a commissioner of PT Duta Intidaya Tbk. He is also a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr. Lai is the chairman of the AS Watson Group, the retail arm of the CKHH Group. Prior to that, he was finance director and chief operating officer from 1994 to 1997 as well as group managing director from 2007 to April 2024 of the AS Watson Group, and group managing director of the Harbour Plaza Hotel Management Group, the former hotel business of HWL (previously listed on The Stock Exchange of Hong Kong Limited until it was privatised in June 2015), from 1998 to 2000. Mr. Lai has over 40 years of management experience in different industries. He holds a Bachelor of Science (Hons) degree and a Master's degree in Business Administration.

Change in Other Information of Director

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Director of the Company subsequent to the date of the 2024 Interim Report of the Company are set out below:

Name of Director	Details of the Changes
Fong Chi Wai, Alex	Appointed as an Adjunct Professor at the Hong Kong University Business School and the College of Business of the City University of Hong Kong on 1 September 2024.

Report of the Directors

The Directors have pleasure in presenting to shareholders their report and the audited consolidated financial statements for the year ended 31 December 2024.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of its principal subsidiaries and associated companies are set out on pages 185 to 189.

An analysis of the Group's performance for the year by operating and geographical segments is set out in the section headed "Management's Discussion and Analysis" on pages 6 to 13 and note 4 to the consolidated financial statements.

Results and appropriations

The results for the year are set out in the consolidated income statement on page 85. The Board does not recommend the payment of a dividend.

Business review

The business review of the Group for the year ended 31 December 2024 is set out in the sections headed "Management's Discussion and Analysis" and "Corporate Governance Report" on pages 6 to 13 and pages 33 to 75 respectively, and the standalone Sustainability Report to be published in April 2025.

Reserves

Details of the movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 38(b) to the consolidated financial statements respectively.

Charitable donations

Donations to charitable organisations by the Group during the year amounted to approximately HK$181,000 (2023: approximately HK$119,000).

Fixed assets

Details of the movements in fixed assets of the Group are set out in note 14 to the consolidated financial statements.

Share capital

Details of the movements in share capital of the Company are set out in note 31 to the consolidated financial statements.

Report of the Directors

Directors

The Directors who held office during the year and up to the date of this report were:

Mr. Frank John Sixt* *(Chairman)*
Mr. Yeung Kwok Mung *(Chief Executive Officer)*
Ms. Chang Pui Vee, Debbie*
Mrs. Lee Pui Ling, Angelina*
Mr. James Cheng-Jee Sha#
Dr. Fong Chi Wai, Alex#
Mr. Chan Tze Leung#
Mr. Lai Kai Ming, Dominic+ *(Alternate Director to Mr. Frank John Sixt)*

* *Non-executive Director*
\# *Independent Non-executive Director*
\+ *Alternate Director*

In accordance with Article 116 of the Company's Articles of Association, Mrs. Lee Pui Ling, Angelina, Dr. Fong Chi Wai, Alex and Mr. Chan Tze Leung will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election. Details regarding the re-election are set out in the circular to shareholders sent together with this annual report.

Each of the Non-executive Directors (including the Independent Non-executive Directors) has entered into a letter of service with the Company for a term of 12-month ("Term"). The appointment will be automatically renewed for successive 12-month periods unless terminated by either party in writing prior to the expiry of the Term. All Directors (except Alternate Director) are subject to retirement by rotation at annual general meetings at least once every three years and, being eligible, offer themselves for re-election.

Directors' service contracts

None of the Directors being proposed for re-election at the forthcoming annual general meeting of the Company has entered into any service contract with any member of the Group (which is not determinable by the Company within one year without payment of compensation (other than statutory compensation)).

Arrangement to purchase shares or debentures

At no time during the year was the Company or its subsidiary a party to any arrangements which enabled any Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or of any other body corporate.

Confirmation of independence of Independent Non-executive Directors

The Company has received written confirmation from all Independent Non-executive Directors regarding their independence in respect of Rule 3.13 of the Listing Rules and the Company still considers all the Independent Non-executive Directors to be independent. Please also see pages 63 to 64 of the "Corporate Governance Report" for the assessment by the Company in this regard.

Directors' profile

Biographical details of the Directors are set out on pages 14 to 18 of this annual report.

Directors' emoluments

Details of the Directors' emoluments are set out in note 39(a) to the consolidated financial statements.

Share option scheme

The Company has no share option scheme as at the date of this report.

Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures

As at 31 December 2024, the interests or short positions of the Directors and Chief Executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and Chief Executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company were as follows:

Long positions in the shares of the Company

		Number of shares of the Company					
Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total	Approximate percentage of shareholding
Frank John Sixt	Beneficial owner	492,000	–	–	–	492,000	0.01%
Yeung Kwok Mung	Interest of spouse	–	30,000	–	–	30,000	Below 0.01%

Save as disclosed above, as at 31 December 2024, none of the Directors or Chief Executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and short positions of shareholders disclosable under the SFO

So far as the Directors and Chief Executive of the Company are aware, as at 31 December 2024, other than the interests of the Directors and Chief Executive of the Company as disclosed in the section titled "Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
CKHH	Interest of controlled corporations	1,430,120,545 (L) *(Notes 1, 2 & 3)*	36.13%
CKH	Interest of controlled corporations	1,430,120,545 (L) *(Notes 1, 2 & 3)*	36.13%
Cheung Kong Investment Company Limited	Interest of controlled corporations	476,341,182 (L) *(Note 1)*	12.03%
Cheung Kong Holdings (China) Limited	Interest of controlled corporations	476,341,182 (L) *(Note 1)*	12.03%
Sunnylink Enterprises Limited	Interest of a controlled corporation	476,341,182 (L) *(Note 1)*	12.03%
Romefield Limited	Beneficial owner	476,341,182 (L) *(Note 1)*	12.03%
CK Hutchison Global Investments Limited	Interest of controlled corporations	952,683,363 (L) *(Note 2)*	24.07%
HWL	Interest of controlled corporations	952,683,363 (L) *(Note 2)*	24.07%

Name	Capacity	No. of shares of the Company held	Approximate percentage of shareholding
Hutchison International Limited	Interest of a controlled corporation	952,683,363 (L) *(Note 2)*	24.07%
Easterhouse Limited	Beneficial owner	952,683,363 (L) *(Note 2)*	24.07%
Chau Hoi Shuen	Interest of controlled corporations	1,003,432,363 (L) *(Notes 4, 5 & 6)*	25.35%
Composers International Limited	Interest of controlled corporations	1,003,432,363 (L) *(Notes 4, 5 & 6)*	25.35%
Cranwood Company Limited	Beneficial owner & interest of controlled corporations	995,078,363 (L) *(Notes 4 & 6)*	25.14%
Schumann International Limited	Beneficial owner	580,000,000 (L) *(Notes 4 & 6)*	14.65%
Handel International Limited	Beneficial owner	348,000,000 (L) *(Notes 4 & 6)*	8.79%
Lin Tian Maw	Beneficial owner, interest of child under 18 and/or spouse & interest of controlled corporations	529,418,000 (L) *(Note 7)*	13.37%

(L) denotes a long position

Notes:

(1) Romefield Limited is a wholly-owned subsidiary of Sunnylink Enterprises Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Holdings (China) Limited. Cheung Kong Holdings (China) Limited is a wholly-owned subsidiary of Cheung Kong Investment Company Limited, which in turn is a wholly-owned subsidiary of CKH. CKH is a wholly-owned subsidiary of CKHH.

By virtue of the SFO, CKHH, CKH, Cheung Kong Investment Company Limited, Cheung Kong Holdings (China) Limited and Sunnylink Enterprises Limited are all deemed to be interested in the 476,341,182 shares of the Company held by Romefield Limited.

Report of the Directors

(2) Easterhouse Limited is a wholly-owned subsidiary of Hutchison International Limited, which in turn is a wholly-owned subsidiary of HWL. HWL is a non wholly-owned subsidiary of CK Hutchison Global Investments Limited, which in turn is a wholly-owned subsidiary of CKHH. In addition, CKH, through its subsidiaries, is entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

By virtue of the SFO, CKHH, CKH, CK Hutchison Global Investments Limited, HWL and Hutchison International Limited are all deemed to be interested in the 952,683,363 shares of the Company held by Easterhouse Limited.

(3) Casaurina Investments Limited, an Associate of CKH, which in turn is a wholly-owned subsidiary of CKHH, holds 1,096,000 shares of the Company.

By virtue of the SFO, CKHH and CKH are all deemed to be interested in the 1,096,000 shares of the Company held by Casaurina Investments Limited.

(4) Schumann International Limited and Handel International Limited are companies controlled by Cranwood Company Limited ("Cranwood Company Limited (Liberia)", incorporated in Liberia), which in turn is a wholly-owned subsidiary of Composers International Limited. Composers International Limited is wholly owned by Ms. Chau Hoi Shuen.

By virtue of the SFO, Ms. Chau Hoi Shuen, Composers International Limited and Cranwood Company Limited (Liberia) are all deemed to be interested in the 580,000,000 and 348,000,000 shares of the Company held by Schumann International Limited and Handel International Limited respectively. Also, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 67,078,363 shares of the Company held by Cranwood Company Limited (Liberia) directly.

(5) A company Cranwood Company Limited ("Cranwood Company Limited (BVI)", incorporated in British Virgin Islands), a wholly-owned subsidiary of Composers International Limited, which in turn is wholly owned by Ms. Chau Hoi Shuen, holds 8,354,000 shares of the Company.

By virtue of the SFO, Ms. Chau Hoi Shuen and Composers International Limited are all deemed to be interested in 8,354,000 shares of the Company held by Cranwood Company Limited (BVI) directly.

(6) Cranwood Company Limited (Liberia), Schumann International Limited, Handel International Limited and Cranwood Company Limited (BVI) have charged 67,078,363, 580,000,000, 348,000,000 and 8,354,000 shares of the Company respectively in favour of CKHH on 21 December 2015.

(7) Such disclosure of interests was notified to the Company by Mr. Lin Tian Maw on 21 January 2025.

Save as disclosed above, as at 31 December 2024, no other person (other than the Directors and Chief Executive of the Company) had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Connected transactions

Significant related party transactions entered into by the Group during the year ended 31 December 2024 are disclosed in note 36 to the consolidated financial statements. The related party transactions which constitute connected transactions in the context of Listing Rules are summarised below.

Continuing connected transactions

(a) On 19 July 2023, the Company entered into a new facility agreement with nine independent financial institutions (the "New Facility Agreement"), pursuant to which the term and revolving loan facilities of up to an aggregate principal amount of HK$4,500 million (the "New Facilities") are granted to the Company for a term of 3 years (with the final maturity date falling 36 months after the date of the New Facility Agreement) for the purposes of financing the repayment or prepayment of the indebtedness under previous facility agreement and the payment of all fees, costs and expenses in connection with the New Facility Agreement and the related finance documents; and after the indebtedness under the previous facility agreement has been discharged in full, the general corporate funding requirements of the Group. It is a condition to the utilisation of the New Facilities that CKHH guarantees 100% of the Company's obligations under the New Facility Agreement pursuant to the terms of the relevant guarantee ("New CKHH Guarantee"). In addition, the Company's obligations under the continuing connected transactions between the Company and CKHH in respect of the payment of guarantee fees by the Company to CKHH pursuant to the CKHH Guarantee Fee Agreement (dated 17 December 2019 and amended on 17 December 2021) had been ceased. In consideration of CKHH agreeing to grant the New CKHH Guarantee, a new guarantee fee agreement was entered into between the Company and CKHH on 19 July 2023 in respect of the payment of a guarantee fee to CKHH by the Company ("New CKHH Guarantee Fee Agreement"). Pursuant to the New CKHH Guarantee Fee Agreement, the Company agreed to pay an aggregate guarantee fee in an amount equivalent to 0.5% per annum of the aggregate principal amount outstanding under the New Facility Agreement to CKHH payable quarterly in advance upon the first drawdown (and on the date of each subsequent drawdown in respect of the increased outstanding principal amount), subject to the annual caps of HK$14,000,000, HK$25,000,000, HK$25,000,000 and HK$14,000,000 for the period from 19 July 2023 to 31 December 2023, the years ending 31 December 2024 and 2025, and the period from 1 January 2026 to 18 July 2026 respectively. Please refer to the Company's announcement dated 19 July 2023 for further and full details.

    During the year ended 31 December 2024, an aggregate amount of HK$18,690,000 as guarantee fee has been paid or became payable by the Company to CKHH under the New CKHH Guarantee Fee Agreement.

(b) On 10 December 2021, Guangdong Yangcheng Advertising Company Limited ("Yangcheng Advertising") entered into an advertising agency agreement with Guangdong Yangcheng Evening News Digital Media Co., Ltd. ("YCDM", a wholly-owned subsidiary of Guangdong Yangcheng Newspaper Media Group Ltd., which owns 20% of the equity interest in Yangcheng Advertising) for a term of 3 years commencing from 1 January 2022 to 31 December 2024 ("New Advertising Agency Agreement"). Pursuant to the New Advertising Agency Agreement, YCDM agreed to appoint Yangcheng Advertising as its advertising agent in respect of the placing of advertisements in the newspaper known as "羊城晚報" (Yangcheng Evening News). Under the New Advertising Agency Agreement, Yangcheng Advertising will enter into contracts with advertising customers who place advertisements on Yangcheng Evening News, collect New Advertising Payment from such advertising customers and then pay YCDM the New Net Advertising Payment. If the aggregate amount of the New Net Advertising Payment reaches a certain pre-agreed amount, Yangcheng Advertising will be entitled to an incentive amount from YCDM, being a certain percentage of the aggregate amount of the New Net Advertising Payment to be agreed in separate agreements between the parties based on the then market rate and the historical performance of Yangcheng Advertising.

The annual caps for the New Net Advertising Payment are RMB6,000,000, RMB6,500,000 and RMB7,250,000 for the years 2022, 2023 and 2024 respectively. Please refer to the Company's announcement dated 10 December 2021 for further and full details.

During the year ended 31 December 2024, an aggregate amount of RMB509,000 as New Net Advertising Payment has been paid or became payable by Yangcheng Advertising to YCDM.

"New Advertising Payment" means advertising fees collected by Yangcheng Advertising from the advertising customer who advertises on Yangcheng Evening News for the years 2022 through to 2024.

"New Net Advertising Payment" means New Advertising Payment net of agency fees.

The aforesaid continuing connected transactions of the Group ("Continuing Connected Transactions") have been reviewed by the Independent Non-executive Directors. The Independent Non-executive Directors have confirmed that the Continuing Connected Transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Report of the Directors

The Company's auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the work performed, the auditor of the Company has issued to the Board an unqualified letter with its following conclusions in relation to the Continuing Connected Transactions disclosed by the Group on pages 25 to 27 of the Annual Report: (a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors; (b) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (c) with respect to the aggregate amount of each of the Continuing Connected Transactions set out above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

Related parties transactions of the Group during the year ended 31 December 2024 are described in note 36 to the financial statements. None of such related parties transactions constitutes a non-exempted connected transaction under the Listing Rules.

Contractual Arrangements

During the year ended 31 December 2024, certain business activities of the Group such as advertising services, certain value-added telecommunications services and content production services which were initially/are categorised as restricted foreign investment businesses under the laws and regulations of the People's Republic of China ("PRC") ("Restricted Businesses") have been carried out by the Group (and certain of its associated companies) through Contractual Arrangements (as defined below). The Group has entered into a series of contractual agreements ("Contractual Agreements") with certain PRC nationals to control the relevant entities incorporated in the PRC ("PRC Domestic Companies") that carry out the Restricted Businesses, pursuant to which all economic benefits and risks arising from the business operation of such PRC Domestic Companies are transferred to the relevant subsidiaries of the Company ("Contractual Arrangements"). The identities of the principal PRC Domestic Companies that have the Contractual Agreements in place and the key provisions of the principal Contractual Agreements are set out in pages 188 to 189 (inclusive) of the consolidated financial statements.

Significance and financial contribution to the Group

The aggregate revenue and assets attributable to the Group generated through the Contractual Arrangements for 2024 represented about 3% and 1% of the Group's total revenue and total assets respectively.

Risks and mitigation relating to the Contractual Arrangements

Major risks associated with the Contractual Arrangements and measures taken to ensure the sound and effective implementation of the Contractual Arrangements are summarised below:

(i) Although the PRC legal advisors to the Company had expressed the view that the entering of the Contractual Arrangements is not in contravention of the relevant PRC laws and regulations, uncertainties however do exist regarding the interpretation and application of the PRC laws and regulations. If the PRC government determines that the Contractual Arrangements do not comply with the applicable laws and regulations of the PRC or issues further guidelines that impose stricter foreign ownership requirements in certain Restricted Businesses, the Group's relevant Restricted Businesses may be adversely affected. If that happens, the Company will seek other forms of contractual arrangements if then available to carry out the Restricted Businesses;

(ii) Under the option agreement of the Contractual Agreements, the relevant subsidiary of the Company ("Intermediate Holding Company") has the sole discretion to require the relevant PRC national to transfer his/her equity interest in the relevant PRC Domestic Company to it at the purchase price as set out in the relevant option agreement such as an amount being equal to the registered capital contributed by the relevant PRC national. The relevant PRC authorities may require the relevant PRC national to pay a substantial amount of individual income tax for the income from the ownership transfer which will be in turn borne by the Group if the purchase price is set below the market value. The exercise of the option to acquire the ownership of the PRC Domestic Companies may therefore be subject to substantial costs;

(iii) The PRC nationals being the shareholders of the PRC Domestic Companies may potentially have a conflict of interest with the Group and they may breach their contracts with the Group. If the Group fails to resolve this internally, it may have to resort to formal dispute resolution proceedings, which may be costly and time-consuming and which outcome is uncertain;

(iv) In the event of breach of any agreements under the Contractual Arrangements, the Group may be unable to enforce the Contractual Arrangements and the relevant Restricted Businesses conducted under the relevant PRC Domestic Companies with the relevant profit, if any, may be negatively affected;

(v) As part of the internal control measures, major issues arising from implementation of the Contractual Arrangements had been and will be reviewed by the management of the Group on a regular basis;

(vi) The relevant business units and operation divisions of the Group reported regularly to the management of the Group on the compliance and performance conditions under the Contractual Arrangements and other related matters; and

(vii) Legal advisors and/or other professionals had been and will continue to be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements.

Despite the above, the Company is of the view that the entering of the Contractual Arrangements is not in contravention of the PRC laws currently in force. The Company will continue to monitor the relevant PRC laws and regulations relevant to the Contractual Arrangements and will take all necessary actions to protect the Company's interest in the PRC Domestic Companies.

Material changes

Save as disclosed in the above, as at the date of the Annual Report, there has not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

Unwinding of Contractual Arrangements

The restriction on foreign investment in e-commerce operations under the category of online data processing and transaction processing businesses was removed as promulgated by the Ministry of Industry and Information Technology of the People's Republic of China in June 2015. The Group's e-commerce operations have undergone restructuring so that it is now operated by the Group's associated companies rather than through Contractual Arrangements. In addition, discussion will from time to time be made with certain business partners on the possibility of abandonment of or unwinding of Contractual Arrangements for certain less active business activities.

Bank loans and other borrowings

The total borrowings (including debentures) of the Company and the Group as at 31 December 2024 amounted to HK$3,865,000,000 and HK$3,865,000,000 (2023 – the Group: HK$3,661,000,000; the Company: HK$3,661,000,000) respectively. Particulars of borrowings are set out in note 28 to the financial statements on page 159.

Equity-linked agreements

No equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year ended 31 December 2024.

Permitted indemnity provision

The Company's Articles of Association provides that subject to the provisions of the relevant statutes, every Director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he is acquitted, and against any loss in respect of his personal liability for the payment of any sum primarily due from the Company. Directors liability insurance is in place for the directors of the Company and its subsidiaries in respect of potential costs and liabilities arising from claims that may be brought against the directors. The relevant provisions in the Articles of Association of the Company and the Directors' liability insurance were in force during the financial year ended 31 December 2024 and as of the date of this report.

Directors' interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024.

Directors' interests in competing business

Mr. Frank John Sixt and Mr. Lai Kai Ming, Dominic, the Non-executive Chairman of the Company and an Alternate Director respectively, are executive directors of CKHH and directors of certain of its associates* (collectively referred to as "CKHH Group"). In addition, Mr. Frank John Sixt is an executive director of CKI and director of certain of its associates* (collectively referred to as "CKI Group"). Mr. Lai Kai Ming, Dominic is also a non-executive director and alternate director of HTHKH and director of certain of its associates* (collectively referred to as "HTHKH Group"). Mrs. Lee Pui Ling, Angelina, a Non-executive Director, is a non-executive director of CKI. CKHH Group is engaged in telecommunications, e-commerce, mobile Internet and information technology services. The business activities of the CKI Group includes, inter alia, investment holding and project management, and securities investment. HTHKH Group operates mobile telecommunications services in Hong Kong and Macau. The Directors believe that there is a risk that such businesses may compete with those of the Group.

Save as disclosed above, none of the Directors or their respective Associates have any interests in a business which competes or may compete with the business of the Group during the year.

* associates refer to subsidiaries, associated companies or other investment forms

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year ended 31 December 2024.

Major customers and suppliers

During the year ended 31 December 2024, the respective percentage of purchases attributable to the Group's five largest suppliers and the sales attributable to the Group's five largest customers, on a combined basis, was less than 30% of the total value of the Group's purchases and sales.

None of the Directors, their Associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's number of issued shares) had an interest in the major suppliers or customers noted above.

Pre-emptive rights

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

Subsequent events

There is no subsequent event after the reporting period which has material impact to the consolidated financial statements of the Group.

Purchase, sale or redemption of listed securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including treasury shares) of the Company.

Currently, there are no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

Auditor

The financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment at the 2025 annual general meeting.

Sufficiency of Public float

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules.

By Order of the Board

Frank John Sixt
Chairman

Hong Kong, 10 March 2025

Corporate Governance Report

The Company is committed to maintaining high standards of corporate governance for the enhancement of shareholders value and safeguarding the interests of its shareholders and other stakeholders. The Company believes that good corporate governance practices are in the interests of the Company, as they are a reflection of the standard and quality of the management and operations of the Company, and also helps sustain the long-term support of its shareholders and stakeholders, which is fundamental to the Company's continuous success.

The Group is committed to improve its corporate governance practices to instil an ethical corporate culture within the Group. To align with the Group's direction, the Company closely monitors the development of corporate governance in Hong Kong and overseas, and, in line with this objective, it regularly reviews its corporate governance practices in light of the experience and evolving regulatory requirements in the jurisdictions relevant to its business operations, so as to ensure that the Company lives up to its shareholders' expectations. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal control system, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with its shareholders and other stakeholders.

The Company has complied with all the applicable code provisions of the Corporate Governance Code throughout the year ended 31 December 2024.

The Board

Corporate Purpose, Values and Culture

The Group's purpose is to create a better world through delivering the essential services that society needs, underpinned by the business values of innovation, collaboration, integrity and sustainability across all levels of the Group.

As a technology and media company committed to development, innovation and technology, the Group instils a culture that respects and promotes creativity, opportunities to exchange ideas and cross-fertilisation of innovative advancements and solutions to enhance long-term sustainable growth and value as a principal objective of the Company. The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. By upholding integrity, the Group strives to ensure fair and responsible practices in its operations and further solidifies its commitment to its purpose and values. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward-looking, change-embracing and competitiveness-focused. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with its stakeholders. Board oversight of culture encompasses a range of measures and tools over time, including:

- Active Collaboration: The Group encourages collaboration across different functions, teams and levels to promote understanding, cooperation and diversity of thought. This collaborative approach fuels innovation and creativity, providing employees with an environment where they can truly thrive and flourish, thereby contributing to the sustainable growth of the Group.

- Workforce Engagement: This involves fostering a culture of open communication, transparency, and collaboration throughout the Group. Core businesses undertake employee engagement activities regularly to collect feedback and identify areas for improvement. For example, employee surveys are generally conducted at least biennially. These interactions help gauge overall employee sentiment and alignment with the core values of the Group.

- Employee Retention and Training: The Board oversees initiatives related to overall employee retention and training. This includes developing and implementing programmes that promote growth opportunities and career progression for employees at all levels, and creating a positive work environment. The Group provides induction sessions for new joiners to ensure they understand and embrace the desired culture, values and expectation of the Group. This is also supported by the Group's comprehensive performance management and reward process to ensure equity, engagement and retention.

- Stringent Financial Reporting: The Group maintains a robust financial reporting system to provide accurate and transparent financial information to stakeholders. This commitment promotes a culture of integrity, accountability and ethical behaviour throughout the Group.

- Effective and Accessible Whistleblowing Framework: A strong whistleblowing framework is crucial for detecting and addressing impropriety, misconduct or malpractice within the Group. The Board ensures the effectiveness and accessibility of the whistleblowing framework, allowing employees and those who deal with the Group to report concerns confidentially and without fear of retaliation. This fosters a culture that encourages transparency, ethical behavior and accountability.

- Legal and Regulatory Compliance: The Board, supported by the Group Legal Department ("GLD"), has overall responsibility to oversee legal and regulatory compliance within the Group. Regular reviews and assessments are conducted to ensure the Group's compliance with applicable laws and regulations. By setting a strong tone at the top and emphasising the importance of compliance, the Board fosters a culture that embodies legal and ethical standards, promoting trust, integrity and responsible decision-making. Employees are expected to follow the Code of Conduct and group policies that reflect the values and corporate culture of the Group.

- Staff Health, Safety, Wellbeing and Support: The Group places a high priority on creating and maintaining a workplace culture that is safe, healthy and supportive. The Group establishes comprehensive governance, policies and procedures to ensure a zero harm working environment. The Group also actively promotes diversity and inclusivity within its workforce. In addition, the Group implements initiatives that promote and support work-life balance, and provides resources for employee wellness.

From the annual Board performance evaluation conducted, the Directors are satisfied with the performance of the Board and acknowledged that the Board plays an effective role in the development and determination of the Group's culture, strategy and overall commercial objective. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, values and strategy of the Group are aligned.

Corporate Strategy

The principal objective of the Group is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings and cash flow without compromising the Group's financial strength and stability. The Group executes disciplined management of revenue growth, margin and costs, capital and investments to return ratio targets, earnings and cash flow accretive merger and acquisition activities, as well as organic growth in sectors or geographies where the Group has management experience and resources. The Chairman's Statement, and Management Discussion and Analysis contained on pages 4 to 13 in this Annual Report include discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value in the longer term and the strategy for delivering the objectives of the Group. The Group also focuses on sustainability and delivering business solutions that support social and environmental challenges. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the standalone Sustainability Report of the Group.

Role of the Board

The Board is accountable to its shareholders for the long-term sustainable success of the Company. It is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. It also ensures ongoing effective communication with the Company's shareholders and engagement with key stakeholders as it develops the purpose and values of the Company. Directors are charged with the task of promoting the long term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

Corporate Governance Report

The Board, led by the Chairman, fosters and oversees the culture, determines, monitors and is responsible for the formulation of Group-wide strategies and policies, including an oversight of the management of the Company (the "Management"). Management is responsible for the day-to-day operations of the Group under the leadership of the Chief Executive Officer (who is an Executive Director), and putting in place mechanisms for ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

Board Composition

As at 31 December 2024, the Board comprised 7 Directors, including the Chairman (who is a Non-executive Director), Chief Executive Officer (who is an Executive Director), two Non-executive Directors and three Independent Non-executive Directors (but excludes one Alternate Director). At least one of the Independent Non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise. The Directors' biographical details and the relationship among the Directors (if any) are set out in the section headed "Directors' Profile" on pages 14 to 18 of this report and on the website of the Company (www.tomgroup.com). Independent Non-executive Directors are identified in all corporate communications. Throughout 2024, the number of Independent Non-executive Directors on the Board meets the one-third requirement under the Listing Rules.

A list of Directors setting out their roles and functions is available on the websites of the Company and Hong Kong Exchanges and Clearing Limited ("HKEX").

Chairman and Chief Executive Officer

The position of the Chairman and the Chief Executive Officer are held by separate individuals. The role of the Chairman is separate from that of the Chief Executive Officer, and such division of responsibilities helps to reinforce their independence and accountability.

The Chairman is responsible for providing leadership to the Board, overseeing its functioning and ensuring that it acts in the best interests of the Group and that the Board meetings are planned and conducted effectively. The Chairman is primarily responsible for setting (with the assistance of the Company Secretary) and approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by the Directors and the Company Secretary for inclusion in the agenda. With the support of the Chief Executive Officer and the Company Secretary, the Chairman seeks to ensure that all Directors are properly informed of issues arising at Board meetings and are able to receive sufficient, accurate and relevant information in a timely manner. The Chairman promotes a culture of openness and also actively encourages those Directors with different views to voice their concerns and to be fully engaged in the Board's affairs and contribute to the Board's effective functioning. To this end, the Chairman holds meetings with the Independent Non-executive Directors at least annually without the presence of the other Directors. Such meeting provides an effective forum for the Chairman to listen to the views of the Independent Non-executive Directors on issues including corporate governance improvement, effectiveness of the Board, and such other issues they may wish to raise in the absence of the other Directors and the senior management of the Company. The Board, under the leadership of the Chairman, has adopted good corporate governance practices and procedures and taken appropriate steps to promote effective communication and ongoing engagement with the shareholders and other stakeholders of the Company, as outlined in this report.

The Chief Executive Officer is responsible for managing the businesses of the Group, attending to the formulation and successful implementation of the Group's policies and assuming full accountability to the Board for all operations of the Group. Acting as the principal manager of the Group's businesses, the Chief Executive Officer attends to the formulation of strategic operating plans that reflect the long-term objectives and priorities established by the Board, and is directly responsible for maintaining the operational performance of the Group. Working with the Chief Financial Officer and the senior management of each business unit, the Chief Executive Officer presents annual budgets to the Board for consideration and approval, and ensures that the Board is fully apprised of the funding requirements of the businesses of the Group. With the assistance of the Chief Financial Officer, the Chief Executive Officer ensures that the funding requirements of the businesses of the Group are met and closely monitors the operating and financial results of the businesses against its plans and budgets, and takes remedial actions if necessary. Moreover, the Chief Executive Officer maintains ongoing dialogues with the Chairman and all Directors to keep them fully informed of all major business developments and issues. The Chief Executive Officer is also responsible for building and maintaining an effective executive team to support him in his role.

Corporate Governance Report

The Non-executive Directors (including Independent Non-executive Directors) are well aware of their functions and have been actively performing their functions, including but not limited to bringing an independent judgement at meetings of the Board, taking the lead to handle the situation where potential conflicts of interests arise and scrutinising the Company's business performance. The Non-executive Directors and the Independent Non-executive Directors from time to time contribute to the Board their constructive and valuable advice in the development of the Company's strategy, in particular the internal controls of the Company. The Non-executive Directors and the Independent Non-executive Directors serve as members of various Board Committee(s), details of which are set out in the sub-sections headed "Audit Committee", "Remuneration Committee", "Nomination Committee" and "Sustainability Governance" of this report.

Furthermore, the Board comprising experienced and seasoned professionals continued to scrutinise material business matters and monitor the performance of the Group to ensure that management function was effectively and properly performed with the balance of power and authority being maintained. The Audit Committee, the Nomination Committee, the Remuneration Committee (all chaired by an Independent Non-executive Director) and the Sustainability Committee (with Independent Non-executive Director serving as one of the members) also provided strong independent oversight of the management of the Company in respect of their respective areas of responsibilities and expertise. Hence, the arrangements of the Board provided the necessary checks and balances without jeopardising the independent exercise of powers of the Chairman and the Chief Executive Officer.

Board Process

The Board meets regularly, and at least 4 times a year, with meeting dates being scheduled prior to the beginning of each year. In between scheduled meetings, the senior management of the Group provides information to the Directors on a regular basis, including monthly updates and other information with respect to the activities and performances of the businesses of the Group. Throughout the year, the Company keeps the Directors informed and involved in the consideration and approval of certain significant operational matters of the Company, by way of circulating resolutions with supporting explanatory materials and supplemented by additional verbal and/or written information or notification from the Company Secretary and other executives as and when required. In the event that a Director has a material conflict of interest (either in the capacity as a Director or a shareholder of the Company) in a matter to be considered by the Board, the matter will be dealt with at a duly convened physical Board meeting, rather than by way of circulating and passing resolutions in writing, and the Independent Non-executive Directors who have no material interest in the transaction in question will be present at such Board meeting. In the case of considering and approving matters relating to material or notifiable transactions of the subsidiaries and/or associated companies of the Company, the relevant details will be provided to the Directors as necessary and appropriate. Whenever warranted, additional Board meetings will be convened. The Directors have full access to the information of the Group and independent professional advice (including the relevant guide for obtaining the same) at all times as deemed necessary by the Directors, and they are at liberty to propose appropriate matters for inclusion in the agendas of the meetings of the Board.

Corporate Governance Report

Through regular meetings, together with the information, updates and other materials that the Directors receive from time to time, the Directors are provided with sufficient background information, which enables each Director to make informed decisions in the best interests of the Company on various matters.

With respect to convening regular meetings of the Board, the Directors will receive written notice of a meeting generally about a month in advance and an agenda with supporting papers no less than three days prior to the meeting. With respect to other meetings, the Directors are given as much notice as is reasonable and practicable in light of the prevailing circumstances. Save for such circumstances as permitted by the Articles of Association of the Company and the Listing Rules, a Director or any of his/her close associates who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration shall declare his/her interest and abstain from voting on the relevant resolution(s), and such Director shall not be counted in the quorum in accordance with the Articles of Association of the Company and the Listing Rules.

For the year ended 31 December 2024, the Company held 4 Board meetings in 2024 with 96.4% attendance.

The attendance records of the Board meetings and general meeting of the Company held in the year ended 31 December 2024 are set out below:

Name of Director	Board Meetings	General Meeting
Chairman		
Mr. Frank John Sixt	4/4	1/1
Executive Director		
Mr. Yeung Kwok Mung *(Chief Executive Officer)*	4/4	1/1
Non-executive Directors		
Ms. Chang Pui Vee, Debbie	3/4	0/1
Mrs. Lee Pui Ling, Angelina	4/4	1/1
Independent Non-Executive Directors		
Mr. James Cheng-Jee Sha	4/4	0/1
Dr. Fong Chi Wai, Alex	4/4	1/1
Mr. Chan Tze Leung	4/4	1/1
Alternate Director		
Mr. Lai Kai Ming, Dominic *(Alternate to Mr. Frank John Sixt)*	–	–

In addition to the regular Board meetings, a meeting among the Chairman and the Independent Non-executive Directors without the presence of the other Directors was held once in the year ended 31 December 2024.

Each of the Non-executive Directors (including the Independent Non-executive Directors) has entered into a letter of service with the Company for a term of 12 months. The appointment will be automatically renewed for successive 12-month periods unless terminated by either party in writing prior to the expiry of the relevant term. In accordance with the Articles of Association of the Company, all Directors are subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election, and the re-election of retiring Directors at general meetings of the Company is presented in separate resolutions.

Board Performance

The Company regards board evaluation as a critical tool to assess Board effectiveness and efficiency. Performance evaluation on the Board for year 2024 had been conducted by the Nomination Committee and reviewed by the Board. The objective of the evaluation is to ensure that the Board and its committees continue to act effectively in fulfilling the duties and responsibilities expected of them, and to develop action plans for improvement. The evaluation parameters included, amongst others, the composition and diversity of the Board. Based on the performance review, the Board considers its existing practice as effective. The Board is also satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board.

Board Independence

The Company recognises that independence of the Board is key to maintaining good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms that underpin a strong independent Board and that independent views and input from Directors are conveyed to the Board. The governance framework and mechanism are kept under regular review to align with international best practice to ensure their effectiveness. In March 2025, the Board conducted a review and considered that such mechanisms were properly implemented during 2024 and were effective.

The current composition of the Board (more than one third of which comprising Independent Non-executive Directors) exceeds the independence requirements under the Listing Rules. The Nomination Committee and Remuneration Committee are both chaired by Independent Non-executive Director, with an Independent Non-executive Director serving as a member of the Sustainability Committee. The Company has a vigorous selection, nomination and appointment/re-appointment process for its Directors (including the Independent Non-executive Directors), details of which are set out in the section headed "Nomination Process" on pages 61 to 65 of this report. None of the Independent Non-executive Directors receives remuneration based on the performance of the Group (including but not limited to equity-based remuneration). Details of the Directors' emoluments are set out in note 39(a) to the consolidated financial statements. The remuneration of the Independent Non-executive Directors are also subject to a regular review mechanism to maintain competitiveness and commensurate with their responsibilities and workload.

To facilitate attendance and participation at the meetings of the Board and other Board committees, the Company plans ahead its meeting schedules for the year, with electronic facilities available to facilitate virtual attendance as required. External independent professional advice is also available to all Directors (including the Independent Non-executive Directors) whenever deemed necessary. The meeting process of the Board, ranging from agenda setting, provision of information and emphasis on constructive debates and discussions, facilitates effective and active participation by all Independent Non-executive Directors (see the section headed "Board Process" on pages 38 to 40 of this report). Each year, the Chairman meets with the Independent Non-executive Directors once without the presence of other Directors, which provides an open agenda enabling them to express their views outside the boardroom.

For a Director to be considered independent, the Board must be satisfied that the Director does not have any direct or indirect material relationship with the Group. In determining the independence of the Directors, the Board follows the requirements of the Listing Rules. The Board has made an assessment of the independence of all the Independent Non-executive Directors and considers them to be independent, having taken into account (a) an annual confirmation of independence made by each of the Independent Non-executive Directors having regard to the criteria under the Listing Rules and (b) the absence of involvement of the Independent Non-executive Directors in the day-to-day management of the Company or circumstances which would interfere with the exercise of their independent judgement.

The Independent Non-executive Directors have historically and consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board. Their commitment is also subject to self-confirmation each year.

Training and Commitment

Upon appointment to the Board, the Directors receive a package of orientation materials on the Group comprising information on the Group, duties as a Director and Board committee member, as well as the internal governance and sustainability policies of the Group. These orientation materials are presented to the Directors by the senior executives in the form of a detailed induction to the Group's businesses, strategic direction and governance practice.

The Company provides to the Directors selected reading materials and opportunities to attend the trainings offered by related companies or third party providers of the Group to help to ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses, and to refresh their knowledge and skills on the roles, functions and duties of a director of a listed company. In addition, attendance at external forums or briefing sessions (including the delivery of speeches) on relevant topics counts toward the continuous professional development ("CPD") of the Directors. CPD trainings of approximately 26.9 hours were provided to the Directors during the year ended 31 December 2024.

Corporate Governance Report

The Directors are required to provide the Company with the details of the CPD trainings undertaken by them from time to time. The training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee. Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows, representing an average of approximately 32.4 hours undertaken by each Director during the year ended 31 December 2024:

	Areas			
Name of Director	Legal and Regulatory	Corporate Governance/ Sustainability Practices	Financial Reporting/ Risk Management	Group's Businesses/ Directors' Duties
Chairman				
Mr. Frank John Sixt	✓	✓	✓	✓
Executive Director				
Mr. Yeung Kwok Mung *(Chief Executive Officer)*	✓	✓	✓	✓
Non-executive Directors				
Ms. Chang Pui Vee, Debbie	✓	✓	✓	✓
Mrs. Lee Pui Ling, Angelina	✓	✓	✓	✓
Independent Non-executive Directors				
Mr. James Cheng-Jee Sha	✓	✓	✓	✓
Dr. Fong Chi Wai, Alex	✓	✓	✓	✓
Mr. Chan Tze Leung	✓	✓	✓	✓
Alternate Director				
Mr. Lai Kai Ming, Dominic (Alternate Director to Mr. Frank John Sixt)	✓	✓	✓	✓

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2024. In addition, the Directors disclose to the Company in a timely manner their interests as a Director and their other commitments, such as directorships in other public listed companies and major appointments, as well as update the Company on any subsequent changes.

Corporate Governance Report

Securities Transactions

The Board has adopted the Model Code as the Group's code of conduct regulating Directors' dealings in the securities of the Company. In summary, a Director who wishes to deal in the securities of the Company must notify the Chairman (or a Director designated by the Board for such specific purpose) in writing prior to any dealings and obtain a dated written acknowledgement before commencing any dealing. Any clearance to deal in the securities of the Company that is granted in response to a Director's request would be valid for no more than five business days from the date on which such clearance was received. After completing the dealing, the relevant Director must submit a disclosure of interests filing with respect to such dealing within the time frame required under Part XV of the SFO.

In response to specific enquiry made with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code regarding their securities transactions throughout their tenure during the year ended 31 December 2024.

Board Committees

The Board is supported by four permanent Board committees: (i) the Audit Committee, (ii) the Nomination Committee, (iii) the Remuneration Committee and (iv) the Sustainability Committee, details of which are further set out in this report. The terms of references of these committees, which have been adopted by the Board, are available on the websites of the Company and the HKEX. Other Board committees are established by the Board as and when warranted to take charge of specific tasks.

Company Secretary

The Company Secretary, Mr. Man Tak Cheung, is accountable to the Board for ensuring that the procedures of the Board are followed and that the activities of the Board are efficiently and effectively conducted. These objectives are achieved through adherence to proper processes of the Board and timely preparation of and dissemination to the Directors comprehensive Board meeting papers. Minutes of all meetings of the Board and the Board Committees are prepared and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or the Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final meeting minutes of the Board and the Board Committees are sent to the Directors or the Board Committee members as appropriate for review, comment, approval and records. Board records are available for inspection by any Director upon request.

The Company Secretary assists the Board to formulate the purpose, values and strategy of the Company, and facilitates the development of a robust compliance and ethical culture to meet both mounting regulatory and investor expectations, as well as ensuring that the culture and the purpose, values and strategy of the Group are aligned.

The Company Secretary plays an important role in helping the Company to develop and maintain a sound and effective corporate governance framework, in particular, a set of risk management and internal control systems so that regulatory compliance, good corporate governance practices and culture are upheld and practised by the Company.

The Company Secretary is responsible for apprising the Board with all legislative, regulatory, corporate governance and sustainability developments that are relevant to the Group, and that it takes these developments into consideration when making decisions in relation to the matters of the Group. From time to time, the Company Secretary coordinates the dissemination of reference materials on specific topics of importance and interest to the Directors for their information.

The Company Secretary is also directly responsible for the Group's compliance with all obligations of the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs, including the preparation, publication and despatch of annual reports and interim reports within the time limits laid down in the Listing Rules, and the timely dissemination of market information that are relevant to the Group to shareholders of the Company.

Furthermore, the Company Secretary advises the Directors on connected transactions, notifiable transactions, price-sensitive/inside information, and the Directors' obligations in relation to disclosure of interests and dealings in the Group's securities, so as to ensure that the standards and disclosure requirements under the Listing Rules and the applicable laws, rules and regulations are complied with and, where required, reported in the annual report of the Company.

The Company Secretary also serves as an important conduit of communications internally and externally. He provides support in facilitating information flow and communications among the Directors, conveys the Board's decisions to the Management from time to time and ensures a good channel of communications with the shareholders of the Company. He also works with the Board and the Management to assist in responding to the regulators in a timely manner.

The appointment and removal of the Company Secretary is subject to the approval of the Board in accordance with the Articles of Association of the Company. Whilst the Company Secretary reports to the Board through the Chairman, all members of the Board have access to the advice and service of the Company Secretary. The Company Secretary has day-to-day knowledge of the Company's affairs. In response to specific enquiries made, Mr. Man Tak Cheung confirmed that he has complied with all the required qualifications, experience and training requirements under the Listing Rules in relation to his role as the Company Secretary throughout the year ended 31 December 2024.

Accountability and Audit

Financial Reporting

The annual and interim results of the Company are published in a timely manner, being within three months of the year end and two months of the half-year end, respectively.

The responsibility of the Directors in relation to the financial statements is set out below. This should be read in conjunction with, but distinguished from, the independent auditor's report on pages 76 to 84 of this report, which acknowledges the reporting responsibility of the Group's auditor.

Annual Report and Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements and annual report of the Company. The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and comply with the applicable disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance") and the Listing Rules. Directors should incorporate such internal control as the Directors determine to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors also ensure the publication of the consolidated financial statements of the Group is made in a timely manner.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position and reflect the transactions of the Group, upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities within the Group.

Going Concern

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing its financial statements.

The statement from the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 76 to 84 of this report.

Audit Committee

The Company has established the Audit Committee in January 2000. As at the date of this report, the Audit Committee consists of three Independent Non-executive Directors and one Non-executive Director who possess the relevant financial and business management experience and skills to understand financial statements and monitor the financial governance, internal controls and risk management of the Company. The composition of the Audit Committee fulfils the independence requirements under the Listing Rules. It is chaired by Dr. Fong Chi Wai, Alex, and the other members of the Audit Committee include Mr. James Cheng-Jee Sha, Mrs. Lee Pui Ling, Angelina and Mr. Chan Tze Leung. Written terms of reference in compliance with the Listing Rules have been adopted for the Audit Committee.

The function of the Audit Committee is to assist the Board in fulfilling its duties through the review and supervision of the Company's financial reporting, risk management and internal control systems (including cyber risks) and to take on any other responsibility as may be delegated by the Board from time to time. The Audit Committee is responsible for monitoring the integrity of the Group's interim and annual results and financial statements, reviewing the Group's risk management and internal control systems as well as overseeing the relationship between the Company and its external auditors. The Audit Committee is also required to develop and review the Company's policies and practices on corporate governance, including compliance with the statutory and Listing Rules requirements, and to review the scope, extent and effectiveness of the activities of the Group's internal audit function. In addition, it is authorised to engage independent legal and other advisers and conduct investigations as it determines to be necessary.

The Audit Committee held 4 meetings in the year ended 31 December 2024 with 93.8% attendance. The internal and external auditors attended four Audit Committee meetings held in 2024.

The attendance records of the Audit Committee meetings held in the year ended 31 December 2024 are set out below:

Name of Members	Attendance
Dr. Fong Chi Wai, Alex *(Chairman)*	4/4
Mr. James Cheng-Jee Sha	4/4
Mrs. Lee Pui Ling, Angelina	3/4
Mr. Chan Tze Leung	4/4

In addition, the Audit Committee held private session with internal and external auditors without the presence of Management.

Throughout the year ended 31 December 2024, the Audit Committee discharged the duties and responsibilities under its terms of reference and the Corporate Governance Code. The following paragraphs set out a summary of the work performed by the Audit Committee during the year ended 31 December 2024 and up to the date of this report.

During the year ended 31 December 2024 and up to the date of this report, the Audit Committee met with the Executive Director and other senior management, the General Manager of Group Management Services Department ("GMSD", the Group's internal audit function) ("Internal Audit GM") and external auditor, PricewaterhouseCoopers ("PwC"), to review the interim and annual results, the interim and annual reports and other financial, internal control, corporate governance and risk management matters of the Group. It also received, considered and discussed the reports and presentations of the Management and the Internal Audit GM and PwC, to ensure that the Group's 2023 and 2024 annual results, reports and financial statements were prepared in accordance with HKFRS and comply with the applicable disclosure requirements of the Companies Ordinance and the Listing Rules, as well as adhering to such control as the Directors determined to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Based on these reviews and discussions, the Audit Committee is satisfied that the Group's 2024 interim and the Group's 2023 and 2024 annual results, reports and financial statements have been prepared in accordance with the aforementioned requirements and recommended that these be approved by the Board.

The Audit Committee met four times during the year ended 31 December 2024 and one time during 2025 (up to the date of this report) with PwC to consider its reports on the scope, strategy, progress and outcome of its independent review of the Group's 2024 interim financial statements and audit of the Group's 2023 and 2024 annual financial statements. It reviewed the composition of the audit engagement teams and PwC's strategy and approach for the review and the annual audit, including the audit risk and materiality assessment, the nature, timing and scope of the audit procedures, and PwC's reporting obligations before the audit commenced. It received and discussed updates with PwC on the audit including observations on the control environment and material areas in which significant accounting judgements were applied, as well as information about the firm's quality management and monitoring process for the audit, recent results from internal and external key quality reviews and inspections across the Group, as well as audit quality indicators focused on (i) the delivery of audit deliverables against agreed timetable and milestones; (ii) the hours of audit work delivered by senior PwC audit team members; (iii) the involvement of specialist and expert; (iv) the findings and results from internal and external reviews and inspections; and (v) the use of technology. The Audit Committee is satisfied with PwC's competence, expertise, resources, as well as the effectiveness of the audit process.

There were no breaches of the policy on hiring employees or former employees of the external auditor during the reported period. The Audit Committee reviewed the audit fees and the fees for non-audit services payable to PwC. The non-audit services were carried out in accordance with PwC's independence policy to ensure that they do not create a conflict of interest and comply with the Group's policy regarding the engagement of its external auditors for the various services.

During the reported period, the Audit Committee also reviewed the independence and objectivity of PwC, as well as the objectivity and effectiveness of the audit process. It reviewed the audit fees and the fees for non-audit services payable to PwC. The Audit Committee considered PwC to be independent and PwC, in accordance with applicable professional ethical standards, provided the Audit Committee written confirmation of its independence and objectivity for 2024.

To assist the Board in assessing the overall governance, financial reporting, risk management and internal control framework and maintaining effective risk management and internal control systems covering all material controls, including strategic, financial, operational and compliance controls, in the year ended 31 December 2024, the Audit Committee reviewed the process by which the Group evaluated its control environment and managed significant risks (including cyber risks). It received, considered and provided feedback on the risk management report, the composite risk register, the risk heat map, the presentations of the Internal Audit GM and Management on their review with respect to the effectiveness of the risk management and internal control systems of the Group. Based on these reviews, the Audit Committee concurred with Management confirmation that such systems are effective and adequate. It also reviewed and was satisfied with the adequacy of resources, qualifications and experience of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget.

In addition, the Audit Committee reviewed, in conjunction with GMSD, the 2024 work plans and resource requirements, and deliberated on the reports regarding the effectiveness of risk management and internal control systems (including cyber risks) of the Group. Further, it also considered the reports from the GLD on the Group's material litigation proceedings and compliance status on key legal and regulatory requirements. These reviews and reports were taken into consideration by the Audit Committee when it made its recommendation to the Board for approval of the consolidated financial statements. During the year ended 31 December 2024, the Audit Committee also received periodic presentations on, and reviewed, the compliance status of the Group with respect to the Corporate Governance Code as well as other corporate governance topics including the Group's policies and practices on compliance with the legal and regulatory requirements. The Audit Committee noted that the Company has complied throughout the year with all applicable code provisions of the Corporate Governance Code. In March 2024, the Audit Committee reviewed and recommended to the Board the updates to Policy on Financial Management and Procedures, and adoption of Group Cyber Security Acceptable Use Policy and Group Cyber Security Policy. In June 2024, the Audit Committee reviewed and recommended to the Board updates to its terms of reference, Shareholders Communication Policy, and adoption of Group Cyber Security Standard. In December 2024, the Audit Committee also reviewed and recommended to the Board the adoption of Policy on Purchasing Computer Software, Hardware and Related Services, Policy on Reasonable and Ethical Procurement, Implementation and Use of Artificial Intelligence, and Group Cyber Security Incident Reporting Policy, as well as the continuous adoption of other corporate governance policies. It has also received the updated report on the CPD training of the Directors.

The Audit Committee, on behalf of the Board, also conducted a review of the implementation and effectiveness of the Shareholders Communication Policy in December 2024. Having considered the multiple channels of communication and engagement in place (see the section headed "Relationship with Shareholders and Other Stakeholders" on pages 67 to 69 of this report), the Audit Committee is satisfied that the Shareholders Communication Policy has been properly implemented during the year ended 31 December 2024 and is effective.

External Auditor

The Group has engaged its external auditor, PwC, for the various services as listed below:

- *Audit services* – include audit services provided in connection with the audit of the consolidated financial statements. All such services are to be provided by the external auditor.

- *Taxation related services* – include some tax compliance and tax planning services, except for those services which are provided in connection with the audit. The Group engages the services of the external auditor where it is best suited. All other significant taxation related work is undertaken by other parties as appropriate.

External Auditor's Remuneration

The amount of fees charged by the external auditor of the Company generally depends on the scope and volume of the auditor's work. For the year ended 31 December 2024, the remuneration of the external auditor of the Company (after adjustment to prior years' accrual) were approximately HK$6,502,000 for audit services and HK$380,000 for non-audit services comprising tax services representing approximately 6% of the total PwC fees (audit and non-audit).

Audit Report on the Annual Financial Statements

The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2024 have been audited by PwC in accordance with Hong Kong Standards on Auditing issued by the HKICPA. The unqualified auditor's report is set out on pages 76 to 84 of the report. The consolidated financial statements of the Company and its subsidiary companies for the year ended 31 December 2024 have also been reviewed by the Audit Committee.

Recommendation for Re-appointment of External Auditor

The Audit Committee is satisfied with PwC's competence, expertise, resources, independence and objectivity, as well as the effectiveness of the audit process, and recommended to the Board on the re-appointment of PwC as the external auditor which will be considered by the shareholders at the forthcoming annual general meeting.

Risk Management and Internal Control

Effective risk management and internal control systems are fundamental components of good corporate governance. They are pivotal to the sustainable growth of the Group, fostering resilience, and safeguarding the interests of stakeholders.

The Company recognises the dynamic nature of the risks (including sustainability and cyber risks) its businesses face. To ensure an effective management of the risks, a comprehensive governance structure is in place to systematically identify, assess, manage, and monitor risks that may have a material adverse impact on the achievement of the Group's strategic and business objectives.

To illustrate the structure and process of the risk management and internal control systems of the Group, the following table depicts detailed roles and responsibilities, in terms of "Governance and Oversight" by the Board through the Audit Committee and the Sustainability Committee, "Risk Review and Communication" by the Executive Director, "Risk and Control Monitoring" by the executive management team, "Risk and Control Ownership" by the executive management teams of each core business, and "Independent Assurance" by GMSD.

Governance and Oversight

The Board

- Has overall responsibility for the systems of risk management and internal control of the Group.
- Evaluates and determines the nature and extent of the risks that the Group is willing to accept in pursuit of its strategic and business objectives, with due regard to its risk appetite.
- Inculcates appropriate risk culture across the business operations of the Group and ensures comprehensive policies and systems (including parameters of delegated authority) are in place.
- Reviews the effectiveness of the risk management and internal control systems of the Group, through delegation to the Audit Committee, and through review of Group-wide strategies, budgets, business plans and performances.

Audit Committee

- Reviews and discusses the risk management and internal control systems of the Group, with particular regard to their effectiveness, see further the Audit Committee Terms of Reference.

Sustainability Committee

- Reviews sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group, see further the Sustainability Committee Terms of Reference.

Risk Review and Communication

Executive Director

- Provides leadership on risk and return balance.
- Monitors the risk profile of the Group and assesses if significant risks are appropriately mitigated.
- Ensures that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted, and makes recommendation to the Board, through the Audit Committee, regarding the effectiveness of the systems.

Risk and Control Monitoring

Executive Management Team

- Establishes relevant policies and procedures for Group-wide adoption.
- The executive management team, chaired by the Executive Director and comprising representatives from key departments of the Company, monitors the implementation and effectiveness of the risk management practices in core businesses and provides guidance where appropriate, in particular, in the following areas:
  - provides timely updates on emerging matters of compliance
  - serves as a dedicated forum for the review, assessment and coordination of regulatory, public affairs and competition matters relevant to the Group's businesses
  - manages the cyber security defences of the Group, monitors cyber threat landscape and set strategic plan
  - supports the Sustainability Committee in discharging its responsibilities

Risk and Control Ownership	Independent Assurance
Core Businesses	**Internal Audit**
• Carries out risk management activities and escalates promptly on material issues. • Ensures that a risk-aware culture is maintained at all levels of the operations through ongoing policy reinforcement and training. • Conducts a review of the effectiveness of the risk management and internal control systems and provides management declaration on the review results half-yearly.	• Provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the business operations of the Group (refer to pages 59 and 60 of this annual report for more details).

Whilst the risk management and internal control systems of the Group are designed to identify and manage risks that could adversely impact the achievement of the Group's strategic and business objectives, they do not provide absolute assurance against material mis-statement, errors, losses, fraud or non-compliance.

Risk Management

The Company adopts an Enterprise Risk Management framework which is consistent with the Committee of Sponsoring Organisations of the Treadway Commission (the "COSO") framework. The framework facilitates a systematic approach in identifying, assessing, managing and monitoring risks (including sustainability and cyber risks) within the Group, be they of strategic, financial, operational or compliance nature.

Risk management is an integral part of the day-to-day operations and management of the Group and is a continuous process carried out at all levels of the Group. There are ongoing dialogues between the Executive Director and the executive management teams of each core business about the current and emerging risks (including sustainability and cyber risks) that are relevant to their businesses, the plausible impacts of the risks and mitigation measures to ensure that the executive management teams of each core business have performed their duties to have effective systems. These measures include instituting additional controls and deploying appropriate insurance instruments to minimise or transfer the impact of risks that the Group's businesses face. The latter also includes Directors and Officers Liability Insurance to protect Directors and officers of the Group against potential personal legal liabilities.

In terms of formal risk review and reporting, the Group adopts a "top-down and bottom-up" approach, involving regular input from each core business as well as discussions and reviews by the Executive Director and the Board, through the Audit Committee. More specifically, on a half-yearly basis, each core business is required to formally identify the significant risks (including sustainability and cyber risks) their business faces and assess the risk severity in terms of potential impact and likelihood, whilst the Executive Director provides input after taking a holistic assessment of all the significant risks that the Group faces. Relevant risk information, including key mitigation measures and plans, are recorded in a risk register to facilitate the ongoing review and tracking of progress.

The composite risk register together with the risk heat map, as confirmed by the Executive Director, form part of the risk management report for review and approval by the Audit Committee on a half-yearly basis. The Audit Committee, on behalf of the Board, reviews the report, discusses the risk management and internal control systems, including matters related to cyber risks, with the Internal Audit GM and Executive Director, and provides input as appropriate, so as to ensure effective systems in place. Pages 4 to 13 and note 2 to the consolidated financial statements of this report provide a description of the Group's risk factors, which could affect the Group's financial condition or results of operations that differ materially from expected or historical results.

More information about the Group's strategies and approaches to managing the sustainability and cyber risks that are material and relevant to the Group's businesses is set out in the standalone Sustainability Report of the Group.

Internal Control

Group structures covering all subsidiaries, associated companies and joint ventures, are maintained and updated on a timely and regular basis. The Executive Director is appointed to the Board of all material operating subsidiaries and associated companies for overseeing and monitoring such companies, including attendance at the meetings of the Board, review and approval of budgets and plans, and determination of business strategies with associated risks identified and key business performance targets set. The executive management team of each core business division is accountable for the conduct and performance of each business in the division within the agreed strategies, and similarly, the management of each business is accountable for its conduct and performance. The Executive Director monitors the performance and reviews the risk profiles of the companies of the Group on an ongoing basis.

The internal control procedures of the Group include a comprehensive system for reporting information to the executive management teams of each core business and the Executive Director.

Business plans and budgets are prepared annually by management of individual businesses and are subject to the review and approval by both the executive management teams and the Executive Director, as part of the Group's five-year corporate planning cycle. Reforecasts for the current year are prepared on a bi-annual basis and reviewed to identify variances to the budget and for approval. When setting budgets and reforecasts, management identifies, evaluates and reports on the likelihood and potential financial impact of significant business risks.

The Executive Director reviews monthly management reports on the financial results and key operating statistics of each business, and hold monthly meetings with the executive management team and senior management of business operations to review these reports, business performance against budgets, forecasts, significant business risk sensitivities and strategies. In addition, finance directors of the executive management teams of each core business attend monthly meetings with the Chief Financial Officer and/or members of his finance team to review monthly performance against budget and forecast, and to address accounting and finance related matters.

The Group maintains a centralised cash management system for its unlisted subsidiary operations. The Group's treasury function oversees the Group's investment and lending activities, and evaluates and monitors the financial and operational risks, and makes recommendations to the Management to mitigate those risks. Treasury reports on the Group's cash and liquid investments, borrowings and movements thereof are distributed to the Management weekly.

The Group has established guidelines and procedures for the approval and control of expenditures. Operating expenditures are subject to overall budget control and are controlled within each business with approval levels set by reference to the level of responsibility of each executive and officer. Capital expenditures are subject to overall control within the annual budget review and approval process, and more specifically, material expenditures within the approved budget as well as unbudgeted expenditures are subject to the approval by the Executive Director/Chief Financial Officer prior to commitment. Quarterly reports of actual versus budgeted and approved expenditures are also reviewed.

The Group has also established treasury policies covering specific aspects, such as bank account control and procedures, monitoring and compliance control for loan covenants, approval and reporting process for derivatives and hedging transactions.

In terms of formal review of the Group's risk management and internal control systems, a risk management and internal control self-assessment process that, on a half-yearly basis, requires the executive management team and senior management of each core business to review, evaluate and declare the effectiveness of such systems covering all material controls, including strategic, financial, operational and compliance controls over the operations of the business and devise action plans to address the issues, if any, is in place. These assessment results, together with the risk management report as mentioned earlier and the independent assessments by the internal and external auditors, form part of the bases on which the Audit Committee formulates its opinion on the effectiveness of the Group's risk management and internal control systems.

Legal and Regulatory Compliance

The Group is committed to ensuring that its businesses are operated in compliance with local and international laws, rules and regulations. GLD has the responsibility of safeguarding the legal interests of the Group. The Group has in place comprehensive procedures on legal documentation review, and reporting and litigation proceedings which are applicable to material legal matters across the entire Group worldwide, subject to variations that may be agreed between the GLD and an individual division from time to time.

In addition, the Group has adopted stringent procedures for corporate secretarial compliance, including corporate authorisation for execution of documentation, preparation, approval and signing of meeting minutes of the Board and its committees, as well as the resolutions of the Board. The Group's company secretarial department ("GCSD") is responsible for regulatory filings and compliance with the Listing Rules.

The GLD team, led by Mr. Li Hin Hang, Group General Counsel, is responsible for monitoring the day-to-day legal affairs of the Group, including preparing, reviewing and approving all legal documentation of the companies of the Group, working in conjunction with the finance, tax, treasury, corporate secretarial and business unit personnel on the review and co-ordination process, and advising the Management on legal issues of concern. In addition, the GLD is responsible for overseeing regulatory compliance matters of all companies of the Group. It analyses and monitors the regulatory frameworks within which the Group operates, including reviewing applicable laws and regulations and preparing and submitting responses or filings with the relevant regulatory and/or government authorities on regulatory issues and consultations.

GLD determines and approves the engagement of external legal advisers, ensuring the requisite professional standards are adhered to as well as the most cost effective services are rendered. Furthermore, the Company Secretary provides updates on legal and regulatory matters of relevance to the Group to the Directors and business executives.

Corporate Governance Report

The Group is subject to the Listing Rules, The Codes on Takeovers and Mergers and Share Buy-backs, the Cayman Islands Companies Act, the Companies Ordinance, the SFO and/or the laws, rules and regulations of the jurisdictions where the companies of the Group are incorporated and where their securities are listed and traded. The GLD is vigilant with the legal requirements under these statutes, rules and regulations which would have a material implication or impact on the Group. The Group is not aware of any incidents of non-compliance with such laws and regulations that may have a significant impact on the Group.

Corporate Governance and Sustainability Policies

The Group places utmost importance on the ethical, personal and professional standards of Directors and employees of the Group. All employees adhere to various Group policies that reflect the core values and corporate culture of the Group. The Code of Conduct is the central tool through which the Company sets the conduct expectations for employees underscoring the strong commitment of the Group to upholding high standards of business integrity, honesty and transparency in all its business dealings. The Company has also established anti-corruption and whistleblowing policies and systems, which are conducive to setting a healthy corporate culture and good corporate governance practices. In addition, the Group has adopted and implemented a number of other governance and sustainability policies to incorporate the core values of the Group into its operations and practices. These policies are reviewed from time to time to ensure their relevance and appropriateness to the Group's businesses, corporate strategy and stakeholder expectations.

Key corporate governance and sustainability policies and guidelines of the Group include:

Code of Conduct

The Code of Conduct of the Group sets the standards for employees as are reasonably necessary to promote honest and ethical conduct, accurate and timely disclosure in the reports and documents that the Group files or submits to regulators, compliance with applicable laws and regulations, prompt internal reporting of violations and accountability for adherence to the Code of Conduct. Every employee is required to undertake to adhere to the Code of Conduct, which includes provisions dealing with conflict of interest, equal opportunities, diversity and a respectful workplace, health and safety, protection and proper use of company assets, record keeping, bribery and corruption, personal data protection and privacy as well as reporting procedures for illegal and unethical behaviour. Employees are required to report any non-compliance with the Code of Conduct in accordance with the established reporting and escalation procedures.

Whistleblowing Policy

In line with the commitment to achieve and maintain the highest standards of openness, probity and accountability, the Company expects and encourages the employees of the Group and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice within the Group. In this regard, the Company has adopted the Whistleblowing Policy. The policy aims to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them, including anonymity and legal protection against unfair dismissal or victimisation for any genuine reports made. The Board delegated the authority to the Audit Committee, which is responsible for ensuring that proper arrangements are in place for fair and independent investigation of any matters raised and appropriate follow-up actions are taken.

Anti-Fraud and Anti-Bribery Policy

In its business dealings, the Group does not tolerate any form of fraud or bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Anti-Fraud and Anti-Bribery Policy, which outlines the Group's zero-tolerance stance against bribery and corruption, assists employees in recognising circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary. Each Group company is required to report any actual or suspected incidents of bribery, theft, fraud or similar offences to the Group Head of Finance Department and the Internal Audit GM for independent analyses and necessary follow up (see pages 59 to 60 of this report for more details).

Policy on Appointment of Third Party Representatives

The Group is also committed to exercising proper controls in engaging third party representatives (such as advisers, agents, consultants, introducers and finders). All Group companies are required to exercise due care and diligence in selecting third party representatives and in monitoring their activities, and should adhere to the Group's Policy on Appointment of Third Party Representatives in this regard.

Corporate Communications Policy

The Group highly values its reputation in the communities and countries where it operates. Employees are required to observe the Corporate Communications Policy to ensure that the market receives timely and accurate information about the Group. The Group Corporate Communications & Investor Relations Department assists the Management to provide clear, consistent and congruent messages for the Group's businesses through the media in a speedy, professional and well-coordinated manner.

Shareholders Communication Policy

The Group is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional. To this end, the Group strives to ensure that all shareholders have ready, equal and timely access to all publicly available information of the Group. The Shareholders Communication Policy sets out the framework the Company has put in place to promote effective two-way communication with shareholders so as to enable them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information

With a view to ensuring that inside information is identified, handled and disseminated in compliance with the SFO, and proper internal control procedures are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations, the Group has implemented the Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information. The policy also adopts additional precautions which should be taken by employees who are in possession of inside information, including identification of project by code name and dissemination of information for stated purpose and on a need-to-know basis only. Whilst all employees are absolutely prohibited at all times from dealing in the securities of any listed entity within the Group when they are in possession of unpublished and price-sensitive information or confidential information, certain members of senior management or staff are subject to specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to obtaining written pre-clearance from designated members of management prior to any dealing in any such securities). Further, certain staff members of relevant departments are subject to applicable blackout periods prior to the release of the Company's annual and interim results.

Policy on Personal Data Governance

The Group is also committed to the safeguard and protection of the personal data of its customers and employees. Employees must only collect and use personal data in accordance with applicable data protection laws, as well as the Policy on Personal Data Governance and the applicable local policies and procedures.

Information Security Policy

Employees must not disclose any confidential information of the Group, its customers, suppliers, business partners or shareholders, except when disclosure is authorised by the Group in accordance with the Information Security Policy which defines the common policies for information confidentiality, integrity and availability to be applied across the entire Group.

Cyber Security Policy

The policy provides a framework for defining the baseline for cyber security practices, and managing cyber risks to ensure that the Group's efforts in this area are effective, coherent and well-coordinated.

Cyber Security Incident Reporting Policy

This policy was introduced in 2024 to streamline the cyber security incident reporting process, facilitate prompt assessment and support for affected business units to enhance overall cyber security governance and minimise the impact and prevent future occurrence.

Board Diversity Policy and Director Nomination Policy

The two Board policies, Board Diversity Policy and Director Nomination Policy, set out the approach to achieving diversity as well as the approach and procedures the Board adopts for the nomination and selection of Directors. Further details of the policies are provided on page 61 of this report.

Employees have been informed of the implementation and updates (if any) of the policies of the Group. Business units are required to confirm their compliance with the various policies of the Group every year.

Internal Audit

The Internal Audit GM, reporting directly to the Audit Committee and the Executive Director, provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the Group's business operations worldwide. It has wide authority to access to documents, records, properties and personnel of the Group. By applying risk assessment methodology and considering the dynamics of the Group's activities, internal audit devises its three-year risk-based audit plan for review by the Audit Committee. The audit plan is subject to continuous reassessment, taking into account external and internal factors such as the macro economic and regulatory changes, the business and operational changes, emerging risks and opportunities (including sustainability and cyber-related ones), as well as audit and fraud findings, which may affect the risk profile of the Group during the year. Internal Audit GM also prepares and updates internal policies and conducts tailor-made workshops where necessary, so as to strengthen the internal controls and compliance procedures of the Group.

GMSD is responsible for assessing the Group's risk management and internal control systems, including reviewing the continuing connected transactions of the Company (refer to pages 25 to 27 of this annual report for more details), formulating an impartial opinion on the systems, and reporting its findings to the Audit Committee, the Executive Director and the senior management concerned, as well as following up on the issues to ensure that they are satisfactorily resolved within the agreed timeline. In addition, GMSD maintains a regular dialogue with PwC so that the parties are aware of the significant factors which may affect their respective scope of work.

Depending on the nature of business and risk exposure of individual business units, the scope of work performed by GMSD includes financial, Information Technology, operations, business ethics, governance policy and regulatory compliance reviews, recurring and surprise audits, as well as productivity efficiency reviews.

GMSD is also responsible for periodic fraud analyses and independent investigations. In accordance with the Group's Code of Conduct and Anti-Fraud and Anti-Bribery Policy, each core business derives its own set of escalation procedures to cater for its operational needs, and is required to report to the Executive Director, the Chief Financial Officer and the Internal Audit GM any actual or suspected fraudulent activities within a 24-hour timeframe should the amount involved exceeds the de minimis threshold as advised by the Executive Director, the Chief Financial Officer and the Internal Audit GM. In addition, each core business submits a summary of fraud incidents statistics to the Executive Director, the Chief Financial Officer and the Internal Audit GM on a quarterly basis. These cases, together with those escalated through the whistleblowing channels, are recorded in the Company's centralised fraud incidents register under the custody of the Internal Audit GM, and are independently assessed and investigated as appropriate. The Internal Audit GM would promptly escalate any incidents of a material nature to the Chairman of the Audit Committee for his direction. Also, a summary of the fraud incidents and the relevant statistics (including the results of the independent investigations and actions taken) is presented to the Audit Committee and the Executive Director on a quarterly basis.

Reports from PwC on internal controls and the relevant financial reporting matters are presented to the Internal Audit GM and, as appropriate, to the Executive Director/Chief Financial Officer and the finance director or financial controller of the relevant executive management team. These reports are reviewed and appropriate actions are taken.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2024 covering all material controls, including strategic, financial, operational and compliance controls, and concurs with the Management's confirmation that such systems are effective and adequate. No significant areas of concern which might affect shareholders were identified. In addition, the Board, through the Audit Committee and the Sustainability Committee, has reviewed and is satisfied with the adequacy of the resources, the staff qualifications and experience, the training programmes and budget of the Group's accounting, internal audit, financial reporting, and sustainability performance and reporting functions.

Nomination of Directors

Nomination Committee

The Company established the Nomination Committee on 1 April 2021. The Nomination Committee is chaired by Mr. James Cheng-Jee Sha, an Independent Non-executive Director, and consists of the Chairman, Mr. Frank John Sixt, and Independent Non-executive Director Mr. Chan Tze Leung as members.

The responsibilities of the Nomination Committee are to review the structure, size, diversity profile and skills set of members of the Board against its needs, and make recommendations on the composition of the Board to achieve the Group's corporate strategy as well as promote shareholder value. It identifies suitable director candidates and selects or makes recommendations to the Board on the appointment or re-appointment of Directors and the succession planning of Directors. To this end, the Company is mindful of having an appropriately structured recruitment, selection and training programme at appropriate levels, so as to identify and prepare suitable talents for the various Board positions. Furthermore, it assesses the independence of the Independent Non-executive Directors having regard to the criteria under the Listing Rules, and reviews the Director Nomination Policy and the Board Diversity Policy periodically and makes recommendation on any proposed revisions to the Board.

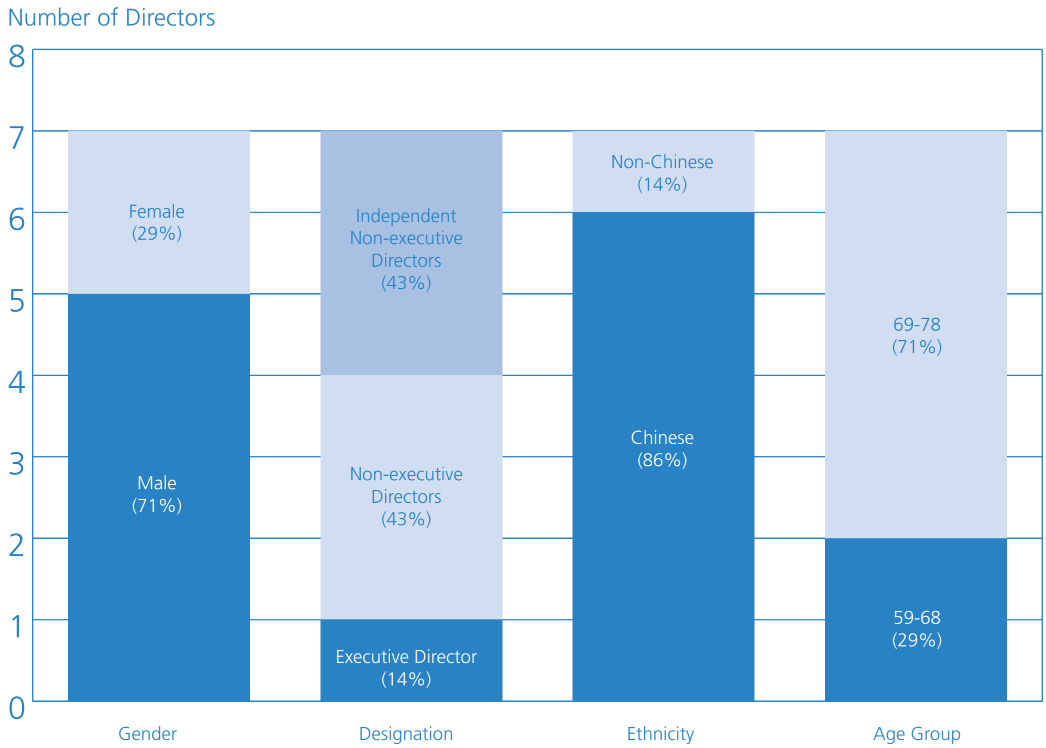
Nomination Process

The nomination process has been, and will continue to be, conducted in accordance with the Director Nomination Policy and the Board Diversity Policy, which are available on the website of the Company. The Board will from time to time review these policies and monitor their implementation to ensure continuous effectiveness and compliance with the regulatory requirements and good corporate governance practices.

Pursuant to the Director Nomination Policy, the Nomination Committee, in determining the suitability of a candidate, will consider the potential contributions a candidate can bring to the Board, including the attributes complementary to the Board, the commitment, motivation and integrity of the candidate, having due consideration of the benefits of a diversified Board.

Under the Board Diversity Policy, the Board candidates are selected based on merit and the contribution such candidate can bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Group and the benefits of the various aspects of diversity, including gender, age, culture, ethnicity, educational background, professional experience and other factors that the Nomination Committee may consider relevant from time to time towards achieving a diversified Board.

The following chart shows the diversity profile of the Board as at 31 December 2024:



The Company will continue to focus on achieving diversity and inclusion in workplace practices. The female representations of the Company are above market averages, with 28.6%, 47.4% and 71.1% being the female ratios at the Board level, the management level and the overall workforce, respectively. The Company targets to maintain at least above-the-market average with regard to female representation across various levels. The Company also targets to foster a culture of inclusion by empowering and encouraging employees to contribute ideas, share feedback and feel engaged via, for example, the employee engagement survey. The Company will continue to ensure that there is gender diversity when recruiting staff, and is committed to providing trainings and career development opportunities to female staff members, so that a pipeline of potential successors to the Board will be maintained to ensure gender diversity of the Board.

If the Board determines that an additional or replacement Director is required, the Nomination Committee will deploy multiple channels for identifying suitable director candidates, including referral from the Directors, shareholders, management, advisers of the Company and external executive search firms. Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to the shareholders of the Company prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Listing Rules.

Corporate Governance Report

The shareholders of the Company may also nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association of the Company and the applicable laws and regulations. The procedures for such proposal are posted on the website of the Company.

The Nomination Committee held one meeting in the year ended 31 December 2024 with 100% attendance.

The attendance record of the Nomination Committee meeting held in the year ended 31 December 2024 is set out below:

Name of Members	Attendance
Mr. James Cheng-Jee Sha *(Chairman)*	1/1
Mr. Frank John Sixt	1/1
Mr. Chan Tze Leung	1/1

During the year ended 31 December 2024, the Nomination Committee reviewed the structure, size and composition (in particular with regard to gender diversity) of the Board, ensuring that it has diversity and a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors.

The Nomination Committee also assessed the independence of all the Independent Non-executive Directors and considered all of them to be independent having regard to the annual independence confirmation given by each of the Independent Non-executive Directors and the assessment of their independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules. In particular, the Nomination Committee considered that the Independent Non-executive Directors continue to provide a balanced and independent view to the Board, play a leading role in the Board committees and bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. None of the Independent Non-executive Directors have any involvement in the daily management of the Company, or any financial or other interests or relationships in the business of the Company. In addition, there are no circumstances which would materially interfere with their exercise of independent judgment.

In December 2024, the Nomination Committee reviewed the structure, skills set, expertise and competencies of the members of the Board, affirmed the independence of the Independent Non-executive Directors, deliberated and selected the Directors for retirement and re-election at the 2025 annual general meeting and made recommendations to the Board for consideration. It also reviewed the Board Diversity Policy and the Director Nomination Policy, as well as their implementation and effectiveness during the year ended 31 December 2024, which are determined by the Nomination Committee to be effective. In 2024, the Board also reviewed and approved updates to terms of reference of Nomination Committee to reflect the latest amendments to the Listing Rules which took effect on 31 December 2023.

As stated in the Report of the Directors on page 20 of this report, Mrs. Lee Pui Ling, Angelina, Dr. Fong Chi Wai, Alex and Mr. Chan Tze Leung will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

During the review process, the Nomination Committee, having assessed the independence of Dr. Fong Chi Wai, Alex and Mr. Chan Tze Leung, is of the view that they would continue to bring in fresh perspectives, objective insights and independent judgment to the Board as well as the Board committees that they currently serve on. The Nomination Committee is of the opinion that Dr. Fong and Mr. Chan continue to demonstrate the attributes of Independent Non-executive Directors. In particular, Dr. Fong and Mr. Chan have played leading role in the Board committees they currently serve on, and will continue to bring independent and external dimension as well as constructive and informed comments on issues of the Group's strategy and policy, accountability, resources and key appointments. The Nomination Committee thus recommends Dr. Fong and Mr. Chan for re-election at the forthcoming annual general meeting. Further, the Nomination Committee is of the view that they meet the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The Nomination Committee is of the view that each of Mrs. Lee Pui Ling, Angelina, Dr. Fong Chi Wai, Alex and Mr. Chan Tze Leung possesses the relevant expertise and leadership qualities to complement the capabilities of other members of the Board, and will continue to contribute to the Board with his/her deep understanding of the businesses of the Group, diversity of skills set and perspectives as well as devotion to the Board. The Nomination Committee also believes that the valuable knowledge and experience of these retiring Directors in the businesses of the Group and their general business acumen continue to generate significant contribution to the Company and the shareholders of the Company as a whole. The Nomination Committee is also satisfied with the independence of each of Mr. James Cheng-Jee Sha, Dr. Fong Chi Wai, Alex and Mr. Chan Tze Leung with reference to the criteria laid down in the Listing Rules, and their ability to provide independent views to the Company's matters.

Corporate Governance Report

On 10 March 2025, after taking into account the Nomination Committee's recommendation, the Board considered the nomination of the aforesaid Directors who will offer themselves for re-election, and decided to propose the resolutions to elect Mrs. Lee Pui Ling, Angelina as Non-executive Director, Dr. Fong Chi Wai, Alex as Independent Non-executive Director, and Mr. Chan Tze Leung as Independent Non-executive Director at the forthcoming annual general meeting. The nomination and proposed re-election were made in accordance with the Director Nomination Policy and took into account the Board Diversity Policy. Each of the above Directors abstained from voting on his/her own nomination when it was being considered.

The particulars of the above retiring Directors are set out in the Company's circular to be sent to the shareholders of the Company together with this Annual Report and to be posted on the Company's website.

Remuneration Committee

The Company has established the Remuneration Committee in March 2000. The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by Dr. Fong Chi Wai, Alex, an Independent Non-executive Director, with the Chairman, Mr. Frank John Sixt, and the Independent Non-executive Director, Mr. Chan Tze Leung, as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules. The Remuneration Committee meets towards the end of each year to determine the remuneration package of the Directors and the senior management of the Group. Remuneration matters are also considered and approved by way of written resolutions and where warranted, at additional meetings of the Board.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objectives of attracting, retaining and motivating a broader and more diverse pool of employees of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group to develop and administer a fair and transparent procedure for setting remuneration policies for the Directors and the senior management of the Company, and for determining their remuneration packages and is also responsible for the administration of the share schemes adopted by the Company, if any. Whilst the Board retains its power to determine the remuneration of the Non-executive Directors, the responsibility of reviewing and determining the remuneration packages of the Executive Director and certain senior management of the Group is delegated to the Remuneration Committee.

During the year, the Remuneration Committee reviewed background information on market data (including economic indicators and statistics), the Group's business activities and human resources issues, and headcount and staff cost. It also reviewed and approved the proposed 2025 directors' fees for Executive Director and made recommendation to the Board on the proposed 2025 directors' fees, if any. The Remuneration Committee had reviewed and approved the year-end bonus and 2025 remuneration package of the Executive Director and the senior executives of the Group. No Director or any of his/her associates is involved in deciding his/her own remuneration. In 2024, the Board also reviewed and approved updates to terms of reference of Remuneration Committee to reflect the latest amendments to the Listing Rules which took effect on 31 December 2023.

Remuneration Policy

The remuneration of the Directors and the senior executives is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Director and employees of the Group also participate in bonus arrangements which are determined in accordance with the performance of the Group and individuals' performances.

The Remuneration Committee's written terms of reference are published on the Company's website, and are compliant with the relevant code provisions of the Corporate Governance Code.

The Remuneration Committee had 1 meeting in the year ended 31 December 2024 with 100% attendance.

The attendance record of the Remuneration Committee meeting held in the year ended 31 December 2024 is set out below:

Name of Members	Attendance
Dr. Fong Chi Wai, Alex *(Chairman)*	1/1
Mr. Frank John Sixt	1/1
Mr. Chan Tze Leung	1/1

During the year ended 31 December 2024, the Remuneration Committee performed the duties and responsibilities under the terms of reference and other duties as required under the Corporate Governance Code.

Consistent with the principles as set out above, for the year ended 31 December 2024, the remuneration of the Directors and the senior management was determined with reference to the performance and profitability of the Group as well as the remuneration benchmarks from other local and international companies and the prevailing market conditions. The Directors and employees also participate in bonus arrangements of the Group which are determined in accordance with the performance of the Group and the individuals' performances.

Details of the Directors' emoluments for the year ended 31 December 2024 are set out in note 39(a) to the consolidated financial statements.

Relationship with Shareholders and Other Stakeholders

The Group promotes investor relations and communications with the investment community when the financial results are announced. Multiple channels of communication and engagement are available.

The Board also provides clear and full information on the Group to the shareholders of the Company through the publication of notices, announcements, circulars, interim and annual reports. The Memorandum and Articles of Association of the Company is published on the websites of the Company and the HKEX. During the year ended 31 December 2024, the Company has not made any changes to the Memorandum and Articles of Association. Moreover, a wide range of information on the Group is available to shareholders and stakeholders through the Investor & Media Relations page on the Company's website. A dedicated Corporate Governance section is also available on the Company's website. The corporate governance and sustainability policies are available and updated on a regular basis. There is also an expanded Sustainability section on the website containing information on sustainability as well as relevant policies.

Annual general meetings and other general meetings of the Company provide one of the primary forums for communication with shareholders and for shareholder participation. Such meetings provide shareholders with the opportunity to share their views and to meet the Board and certain members of senior management. Question and answer sessions at general meetings foster constructive dialogues between shareholders of the Company, Board members and management.

Shareholders are encouraged to participate at general meetings of the Company physically, through electronic means, or by proxy if they are unable to attend in person. Pursuant to the Articles of Association of the Company, any two or more shareholders (or one shareholder which is a recognised clearing house, or its nominee(s)) holding not less than one-tenth of the paid up share capital of the Company, carrying the right of voting at general meetings of the Company, have rights to call for general meetings and to put forward agenda items for consideration by shareholders, by depositing at the principal office of the Company in Hong Kong a written requisition for such general meetings, signed by the shareholders concerned together with the objects of the meeting. The Board would within 21 days from the date of deposit of requisition convene the meeting.

All substantive resolutions at general meetings are decided on a poll which is conducted by the Company Secretary and scrutinised by the Company's Hong Kong Share Registrar. The results of the poll are published on the websites of the Company and the HKEX. In addition, regular updated financial, business and other information on the Group are made available to the shareholders and stakeholders on the Company's website.

The Company held one shareholders' meeting in 2024, being the 2024 annual general meeting ("2024 AGM") held on 9 May 2024 as hybrid meeting at Board Room, Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as the principal meeting place; Room 302, 3/F., Pico Tower, 66 Gloucester Road, Wanchai, Hong Kong as the additional meeting venue and online. Electronic facilities were available for the shareholders of the Company to attend the 2024 AGM. The 2024 AGM was attended by the external auditor and certain Directors, including the Chairman of the Board, the Chairman of the Remuneration Committee, the Chairman of the Audit Committee, the Chairman of the Sustainability Committee and the members of the Nomination Committee.

Separate resolutions were proposed at the 2024 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 9 May 2024 are set out below:

Ordinary Resolutions proposed at the 2024 AGM

ORDINARY RESOLUTIONS		Number of Votes (Approx.%) For
1.	To consider and adopt the audited Financial Statements, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2023.	2,473,447,657 (99.9992%)
2.	(a) To re-elect Mr. Yeung Kwok Mung as an Executive Director.	2,473,447,657 (99.9992%)
	(b) To re-elect Ms. Chang Pui Vee, Debbie as a Non-executive Director.	2,473,447,657 (99.9992%)
	(c) To re-elect Mr. James Sha as an Independent Non-executive Director.	2,473,447,657 (99.9992%)
3.	To re-appoint PricewaterhouseCoopers as Independent Auditor and authorise the Directors to fix the Auditor's remuneration.	2,473,447,657 (99.9992%)
4.	No. 4(1): Granting of a general mandate to the Directors to issue additional shares of the Company.	2,473,447,657 (99.9992%)
	No. 4(2): Granting of a general mandate to the Directors to repurchase shares of the Company.	2,473,447,657 (99.9992%)

Accordingly, all resolutions put to the shareholders of the Company at the 2024 AGM were passed. The results of the voting by poll were published on the websites of the Company and the HKEX.

Other corporate information relating to the Company is set out in the section headed "Information for Shareholders" of this report. This includes, among others, the dates for key corporate events for the year ending 31 December 2025.

Shareholders of the company who wish to put forward proposals at the general meetings of the Company may request the Company to convene an extraordinary general meeting in accordance with the procedures set out under this section.

The Company values feedback from shareholders on its effort to promote transparency and foster investor relationships. Enquiries, comments and/or suggestions to the Board or the Company are welcome and can be put forward to our Group Corporate Communications & Investor Relations Manager by mail to Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or by e-mail at ir@tomgroup.com. Institutional investors and analysts can also contact the Group Corporate Communications & Investor Relations of the Company by mail to Rooms 1601-05, 16/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong or by e-mail at ir@tomgroup.com. The Board receives updates (if any) from the Company Secretary and the Head of Group Corporate Communications & Investor Relations on key issues raised by shareholders and investors. In developing and formulating Group strategy, the Board considers such key issues raised and takes shareholder feedback into account.

Shareholders Communication Policy

The Audit Committee is responsible for regular review of the effectiveness and compliance with the prevailing regulatory and other requirements of the Shareholders Communication Policy. In June 2024, the Shareholders Communication Policy was updated with respect to the arrangements for the electronic dissemination of corporate communications of the Company to the shareholders. In December 2024, the Audit Committee reviewed the policy again and considered that the implementation of the policy was effective during 2024 (see the section headed "Audit Committee" on pages 48 to 49 of this report).

Dividend Policy

The Board adopted a dividend policy for the Company and is committed to maintaining an optimal capital structure. The policy is pursued to deliver returns to shareholders whilst ensuring that adequate capital resources are available for business growth and investment opportunities. The Board will continue to review the dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

Sustainability

Sustainability Governance

The Group's sustainability governance structure provides a solid foundation for developing and delivering its commitment to sustainability, which is embedded at all levels of the Group, including the Board, the Sustainability Committee, the executive management team, as well as all core businesses.

The Sustainability Committee is chaired by Mr. Yeung Kwok Mung with Dr. Fong Chi Wai, Alex and Mr. Man Tak Cheung as members.

The responsibilities of the Sustainability Committee are:

- to propose and recommend to the Board on the Group's corporate social responsibility and sustainability objectives, strategies, priorities, initiatives and goals;
- to oversee, review and evaluate actions taken by the Group in furtherance of the corporate social responsibility and sustainability priorities and goals, including coordinating with the business divisions of the Group and ensuring that their operations and practices adhere to the relevant priorities and goals;
- to review and report to the Board on sustainability risks and opportunities;
- to monitor and review emerging corporate social responsibility and sustainability issues and trends that could impact the business operations and performance of the Group;
- to consider the impact of the Company's corporate social responsibility and sustainability on its stakeholders, including employees, shareholders, local communities and the environment; and
- to review and advise the Board on the Company's public communication, disclosure and publications as regards to its corporate social responsibility and sustainability performance.

The Sustainability Committee held two meetings in 2024 with 100% attendance.

The attendance records of the Sustainability Committee meetings held in the year ended 31 December 2024 are set out below:

Name of Members	Attended
Mr. Yeung Kwok Mung *(Chairman)*	2/2
Dr. Fong Chi Wai, Alex	2/2
Mr. Man Tak Cheung	2/2

In 2024, the Sustainability Committee reviewed the progress against the environmental-related targets the Group committed to in the 2021 Sustainability Report. It also reviewed and approved the 2023 Sustainability Report, which was published in March 2024. During the year, the Sustainability Committee received an update on the Stock Exchange's enhanced climate-related disclosures requirements. Dedicated resources for early preparation were advised as a result. The Sustainability Committee also examined the Group's adequacy of resources and performance in sustainability and considered it satisfactory.

At its meeting in March 2025, the Sustainability Committee reviewed the progress of previously approved sustainability goals. It also reviewed and recommended to the Board for approval the 2024 Sustainability Report, which would be published together with this annual report.

Supporting the Sustainability Committee is the Sustainability Working Group, comprising the Executive Director as Chair, as well as other senior executives from key departments that influence the Group's material sustainability impacts.

Sustainability Framework

The Group's overall sustainability approach and priorities are built on four pillars, namely Business, People, Environment and Community ("Pillars"), through which the Group contributes to United Nations Sustainable Development Goals ("UNSDGs") as set out in the table below. Each Pillar is supported by Group-wide policies, leadership at the Group level and the collective efforts of each core business division. During the year, the Group has committed to further advance its sustainability agenda (such as achieving progress towards seven environmental targets, undertaking a comprehensive process to identify the Group's climate-related physical and transition risks and opportunities, arranging anti-corruption trainings to strengthen the Group's high ethical culture and donating advertising spaces to various organisations to raise awareness and foster public support and care for underprivileged). On an ongoing basis, the Group continues to assess, update and refine its sustainability policies with a view of ensuring that its systems, processes, standards and practices are enabling the achievement of the sustainability objectives of the Group which also evolve to reflect emerging sustainability trends. These policies can be found in the "Corporate Governance and Sustainability Policies" section of the Company's website (https://www.tomgroup.com/en/about_sustainability.html), with several of which mentioned earlier in this report, form the foundation of the Group's sustainability governance framework.

The Group's Sustainability Pillars	UNSDGs	Goals	Action
The Environment	11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action	• Embed sustainability considerations in investments, projects and developments.	The Group has established a *Biodiversity Policy*, an *Environmental Policy* and a *Sustainability Policy* to reinforce its commitment to protecting the environment and supporting sustainable development by managing its environmental footprint across its business operations. The Group has also formulated environmental targets aspiring to achieve by 2025.

The Group's Sustainability Pillars	UNSDGs	Goals	Action
The People	3 Good Health and Well-Being 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	• Create an inclusive and diverse culture. • Promote learning and development initiatives in the workplace.	The Group has established a *Human Right Policy*, which is also addressed in the Group's *Code of Conduct* and *Modern Slavery and Human Trafficking Statement*. It articulates the Group's expectations regarding human rights. The Group also aims to create great places to work, and the Group's *Sustainability Policy* highlights its commitment to diversity, training and development and providing a safe workplace. The Group has also conducted an employee engagement survey and organised different initiatives to promote the well-being of its employees.
The Business	8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions	• Provide systematic training and implement business plans on ethical practice.	The Group has established policies on *Personal Data Governance, Securities Dealings and Handling of Confidential and Price-sensitive Inside Information* to ensure its commitment to upholding high standards of business ethics across its operations and promoting equitable and inclusive societies for sustainable development.

The Group's Sustainability Pillars	UNSDGs	Goals	Action
The Community	3 Good Health and Well-Being 4 Quality Education 8 Decent Work and Economic Growth	• Engage with non-profit organisations to promote environmental awareness among underprivileged children via storytelling and craft workshops.	The Group has established a *Sustainability Policy* to consider relevant sustainability initiatives and programmes based on the needs of the place where it operates. The Group's *Corporate Communications Policy* also included a framework for handling incoming requests for corporate donation and sponsorship activities that positively impact community development.

Sustainability is embedded in the risk management approach of the Group, through the bi-annual formal examination of all business divisions as to their material sustainability risks and presentations to senior management their plans on how these risks are managed as part of the bi-annual review of risk management and internal control systems. As an integral part of sustainability governance, these self-assessment results are subject to internal audits, then submission to the Executive Director/Chief Financial Officer bi-annually as well as the Audit and Sustainability Committees for review and approval.

Compliance with Laws and Regulations

Regulatory frameworks are closely analysed and monitored, and internal policies are prepared and updated accordingly. Training sessions are conducted to strengthen awareness and understanding of the Group's internal controls and compliance procedures. In addition refresher courses on ethical business practices are provided on a regular basis. Where appropriate, best practices are shared amongst Group companies to increase the cross-fertilisation of ideas and know-how. Further, GMSD is responsible for the assessment of the Group's sustainability practices and relevant regulatory compliance.

The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption, air and water discharge, and generation of waste during the year. Further information is provided in the standalone Sustainability Report of the Group.

Sustainability Initiatives and Performance

The standalone Sustainability Report of the Group will be published in April 2025. A more detailed discussion of the Group's sustainability initiatives and performance, the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the Group's relationships with the key stakeholders are set out in the Sustainability Report, which will be published on the website of the HKEX and the Company's website at www.tomgroup.com for inspection and download.

By order of the Board

Man Tak Cheung
Company Secretary

Hong Kong, 10 March 2025

羅兵咸永道

Independent Auditor's Report
To the Shareholders of TOM Group Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited
The consolidated financial statements of TOM Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which are set out on pages 85 to 189, comprise:

- the consolidated and Company statements of financial position as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion
In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024, and of its consolidated loss 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.

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Independent Auditor's Report

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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.

Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

- Goodwill; and
- Valuation of investment in financial assets at fair value through other comprehensive income

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Goodwill *Refer to note 17 to the consolidated financial statements* The Group has a significant amount of goodwill arising primarily from the acquisition of various businesses in prior years. Goodwill amounted to HK$502 million as at 31 December 2024 is related to Publishing Group. Goodwill with an indefinite useful life is subject to impairment assessments annually and when there is an indication of impairment. We focused on auditing the impairment assessments of goodwill because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment assessment of goodwill is considered significant due to subjectivity of significant assumptions used. In carrying out the impairment assessments of Publishing Groups, significant judgements are required to estimate the future cash flows and to determine the assumptions, including the growth rates used in the cash flow projections and the discount rates applied to bring the future cash flows back to their present values.	The procedures to evaluate the Group's assessments of goodwill included: • Obtaining an understanding of the management's assessment process for estimating the recoverable amount of cash-generating units and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • Evaluating the outcome of prior period assessments of estimated recoverable amounts of cash-generating units to assess the effectiveness of management's estimation process; • Comparing recoverable amounts of cash-generating units to their carrying values including goodwill; • Assessing the appropriateness of the valuation methodologies used; • Assessing the reasonableness of key assumptions based on our knowledge of the relevant business and industry and with the involvement of our valuation experts; • Testing source data to supporting evidence on a sample basis, such as approved budgets and available market data and considering the reasonableness of these budgets; and

Key Audit Matter

1. **Goodwill (Continued)**

Based on the results of impairment assessments conducted by management, no impairment is provided for the year ended 31 December 2024. This conclusion is based on the recoverable amount, being the higher of the fair value less costs of disposal and value-in-use, compared with the carrying value including goodwill of respective cash-generating units.

The significant assumptions in respect of these impairment assessments are disclosed in note 17 to the consolidated financial statements.

How our audit addressed the Key Audit Matter

- Performing sensitivity analyses on the key assumptions where we flexed the growth rates and discount rates as these are the key assumptions to which the valuation models are the most sensitive.

We found the assumptions adopted in relation to these impairment assessments to be supportable based on available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Valuation of investment in financial assets at fair value through other comprehensive income *Refer to note 21 to the consolidated financial statements* The Group's investment in financial assets at fair value through other comprehensive income ("Investments") are subject to fair value revaluation at each reporting date. The majority of the Investments were valued by independent external valuers using the market approach. The remaining Investments were valued by management based on the market approach and asset-based approach. With reference to the respective valuations, management had estimated the fair value of the Investments at HK$825 million at year end. Changes in the fair values of financial assets at fair value through other comprehensive income during the year of HK$94 million were recognised in other comprehensive income. The valuation of the Group's financial assets at fair value through other comprehensive income was a key area of audit focus due to their significance to the Group's non-current assets and other comprehensive income.	The procedures to evaluate the Group's assessments of financial assets at fair value through other comprehensive income included: • Obtaining an understanding of the management's assessment process of estimated valuation of investment in financial assets at fair value through other comprehensive income and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. For listed Investments: • Assessing the appropriateness of the valuation methodologies performed by management; and • Testing the accuracy and relevance of input data used by the management based on available market data. For unlisted Investments: • Obtaining the valuation reports and discussing with the independent external valuers on the valuation methodologies and key assumptions; • Assessing the competence, capability and objectivity of the independent external valuers;

Key Audit Matter	How our audit addressed the Key Audit Matter
2. **Valuation of investment in financial assets at fair value through other comprehensive income (Continued)** The valuation involved judgements and estimates from management, including market multiple, marketability discount, minority discount and probability of conversion scenario.	• Involving our valuation experts and assessing the valuation methodologies and the reasonableness of the key assumptions used in the valuations performed by the independent external valuers, based on our research evidence of key assumptions and comparable market transactions for similar businesses, where applicable; • Assessing the appropriateness of the valuation methodologies performed by management; and • Testing, on a sample basis, the accuracy and relevance of input data used by the management and independent external valuers including the subscription price of the latest round of financing of the equity interests. In the context of the audit of the consolidated financial statements of the Group, we found the assumptions adopted in relation to the valuations to be supportable based on available evidence.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lo Kai Leung, Thomas.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 10 March 2025

Consolidated Income Statement
For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Revenue	4	747,016	784,446
Cost of sales		(443,160)	(460,663)
Selling and marketing expenses		(122,164)	(123,982)
Administrative expenses		(68,542)	(67,383)
Other operating expenses, net	6	(131,632)	(132,166)
Other (losses)/gains, net	7	(965)	3,479
		(19,447)	3,731
Provision for impairment of goodwill	5	–	(7,504)
Reversal of provision for impairment in amounts due from associated companies	5	–	14,471
		(19,447)	10,698
Share of profits less losses of investments accounted for using the equity method	19	1,499	(18,910)
Loss before net finance costs and taxation	8	(17,948)	(8,212)
Finance income		4,044	5,271
Finance costs		(222,101)	(194,660)
Finance costs, net	9	(218,057)	(189,389)
Loss before taxation		(236,005)	(197,601)
Taxation	10	(11,114)	(13,862)
Loss for the year		(247,119)	(211,463)
Attributable to:			
– Non-controlling interests		8,912	9,963
– Equity holders of the Company		(256,031)	(221,426)
Loss per share attributable to equity holders of the Company during the year			
Basic and diluted	12	HK(6.47) cents	HK(5.59) cents

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Loss for the year		(247,119)	(211,463)
Other comprehensive (expense)/income for the year, net of tax			
– Items that will not be reclassified to income statement:			
Remeasurement of defined benefit plans		6,428	26
Revaluation deficit of financial assets at fair value through other comprehensive income	21	(94,233)	(138,394)
Share of revaluation (deficit)/surplus through other comprehensive income from an associated company	19	(17)	257
		(87,822)	(138,111)
– Item that may be reclassified to income statement:			
Exchange translation differences		(32,732)	(4,838)
		(120,554)	(142,949)
Total comprehensive expense for the year		(367,673)	(354,412)
Total comprehensive expense for the year attributable to:			
– Non-controlling interests		(5,064)	(769)
– Equity holders of the Company		(362,609)	(353,643)

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Fixed assets	14	44,519	18,033
Right-of-use assets	15	72,987	89,500
Investment properties	16	16,854	18,857
Goodwill	17	501,839	501,883
Other intangible assets	18	139,541	137,571
Investments accounted for using the equity method	19	364,819	374,996
Financial assets at fair value through other comprehensive income	21	825,105	913,992
Deferred tax assets	30(a)	59,154	64,697
Pension assets	29(a)	5,340	2,849
Other non-current assets	22	7,225	5,279
		2,037,383	2,127,657
Current assets			
Inventories	23	90,568	93,474
Trade and other receivables	24	219,555	241,221
Short-term deposit with original maturity over 3 months		–	43,680
Restricted cash	25	5,382	7,317
Cash and cash equivalents	26	448,325	494,551
		763,830	880,243
Current liabilities			
Trade and other payables	27	488,556	498,504
Taxation payable		20,848	27,367
Lease liabilities – current portion	15	21,228	19,035
		530,632	544,906
Net current assets		233,198	335,337
Total assets less current liabilities		2,270,581	2,462,994

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Deferred tax liabilities	30(b)	20,015	26,186
Long-term bank loans – non-current portion	28	3,857,397	3,648,756
Lease liabilities – non-current portion	15	56,321	71,713
Pension obligations	29(a)	744	6,800
		3,934,477	3,753,455
Net liabilities		(1,663,896)	(1,290,461)
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	31	395,852	395,852
Deficits		(2,347,641)	(1,985,032)
Own shares held	32	(6,244)	(6,244)
		(1,958,033)	(1,595,424)
Non-controlling interests		294,137	304,963
Total deficit		(1,663,896)	(1,290,461)

Yeung Kwok Mung
Director

Consolidated Statement of Changes In Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company													
	Share capital *HK$'000*	Own shares held *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Capital redemption reserve *HK$'000*	General reserve *HK$'000*	Fair value through other comprehensive income reserve *HK$'000*	Properties revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total shareholders' deficits *HK$'000*	Non-controlling interests *HK$'000*	Total deficit *HK$'000*
Balance at 1 January 2024	395,852	(6,244)	3,744,457	(75,210)	776	90,307	347,623	14,625	654,837	6,096	(6,768,543)	(1,595,424)	304,963	(1,290,461)
Comprehensive income:														
Loss for the year	-	-	-	-	-	-	-	-	-	-	(256,031)	(256,031)	8,912	(247,119)
Other comprehensive income:														
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-	5,734	5,734	694	6,428
Revaluation deficit of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(87,820)	-	-	-	-	(87,820)	(6,413)	(94,233)
Share of revaluation deficit through other comprehensive income from an associated company	-	-	-	-	-	-	(15)	-	-	-	-	(15)	(2)	(17)
Exchange translation differences	-	-	-	-	-	-	-	-	(24,477)	-	-	(24,477)	(8,255)	(32,732)
Total comprehensive expense for the year ended 31 December 2024	-	-	-	-	-	-	(87,835)	-	(24,477)	-	(250,297)	(362,609)	(5,064)	(367,673)
Transactions with equity holders:														
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(5,762)	(5,762)
Transfer to general reserve	-	-	-	-	-	148	-	-	-	-	(148)	-	-	-
Transactions with equity holders	-	-	-	-	-	148	-	-	-	-	(148)	-	(5,762)	(5,762)
Balance at 31 December 2024	395,852	(6,244)	3,744,457	(75,210)	776	90,455	259,788	14,625	630,360	6,096	(7,018,988)	(1,958,033)	294,137	(1,663,896)

Consolidated Statement of Changes In Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company													
	Share capital *HK$'000*	Own shares held *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Capital redemption reserve *HK$'000*	General reserve *HK$'000*	Fair value through other comprehensive income reserve *HK$'000*	Properties revaluation reserve *HK$'000*	Exchange reserve *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total shareholders' deficits *HK$'000*	Non–controlling interests *HK$'000*	Total deficit *HK$'000*
Balance at 1 January 2023	395,852	(6,244)	3,744,457	(75,210)	776	94,280	471,295	14,625	663,549	6,096	(6,551,257)	(1,241,781)	316,555	(925,226)
Comprehensive income:														
Loss for the year	–	–	–	–	–	–	–	–	–	–	(221,426)	(221,426)	9,963	(211,463)
Other comprehensive income:														
Remeasurement of defined benefit plans	–	–	–	–	–	–	–	–	–	–	167	167	(141)	26
Revaluation deficit of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(123,904)	–	–	–	–	(123,904)	(14,490)	(138,394)
Share of revaluation surplus through other comprehensive income from an associated company	–	–	–	–	–	–	232	–	–	–	–	232	25	257
Exchange translation differences	–	–	–	–	–	–	–	–	(8,712)	–	–	(8,712)	3,874	(4,838)
Total comprehensive expense for the year ended 31 December 2023	–	–	–	–	–	–	(123,672)	–	(8,712)	–	(221,259)	(353,643)	(769)	(354,412)
Transactions with equity holders:														
Dividends distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(8,384)	(8,384)
Cash returned to non-controlling interests upon deregistration of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(2,439)	(2,439)
Transfer to general reserve	–	–	–	–	–	727	–	–	–	–	(727)	–	–	–
Transfer to accumulated losses	–	–	–	–	–	(4,700)	–	–	–	–	4,700	–	–	–
Transactions with equity holders	–	–	–	–	–	(3,973)	–	–	–	–	3,973	–	(10,823)	(10,823)
Balance at 31 December 2023	395,852	(6,244)	3,744,457	(75,210)	776	90,307	347,623	14,625	654,837	6,096	(6,768,543)	(1,595,424)	304,963	(1,290,461)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Net cash inflow from operations	33(a)	122,318	126,729
Interest paid		(192,242)	(168,106)
Overseas taxation paid		(19,539)	(18,909)
Net cash used in operating activities		(89,463)	(60,286)
Cash flows from investing activities			
Capital expenditures		(139,018)	(116,613)
Capital investment in financial assets at fair value through other comprehensive income	21	(6,248)	(17,293)
Settlement of amounts due from associated companies		–	179,800
Share of cash distribution from an associated company upon its deregistration	19	3,177	–
Proceeds from disposal of fixed assets		255	137
Decrease/(increase) in bank deposit with original maturity over 3 months		43,680	(43,680)
Dividends received		6,509	6,835
Net cash (used in)/from investing activities		(91,645)	9,186
Cash flows from financing activities			
New bank loans	33(b)	249,000	3,768,000
Loan repayments	33(b)	(45,000)	(3,634,000)
Cash returned to non-controlling interests upon deregistration of a subsidiary		–	(2,439)
Loan arrangement fees paid		(20,886)	(30,173)
Principal elements of lease payments	33(b)	(21,512)	(24,389)
Dividends paid to non-controlling interests		(5,762)	(8,384)
Decrease/(increase) in restricted cash		1,517	(1,131)
Net cash from financing activities		157,357	67,484
(Decrease)/increase in cash and cash equivalents		(23,751)	16,384
Cash and cash equivalents at 1 January		494,551	481,668
Exchange adjustment		(22,475)	(3,501)
Cash and cash equivalents at 31 December	26	448,325	494,551

Notes to the Consolidated Financial Statements

1 Material accounting policies

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

(a) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together the "Group") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The consolidated financial statements have been prepared under the historical cost convention except that financial assets at fair value through other comprehensive income ("FVOCI") as stated in note 1(e)(ii), defined benefit plan assets as stated in note 1(m)(i), investment properties as stated in note 1(g) and investments accounted for using the equity method, of which the retained interests are remeasured to the fair value at the date when the Group lost control in the subsidiaries which became investments accounted for using the equity method of the Group, as stated in note 1(c) below.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

In preparing these consolidated financial statements, the Group has taken into account all information that could reasonably be expected to be available and has ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. As at 31 December 2024, the Group had net liabilities of HK$1,664 million. The Group also has undrawn banking facilities guaranteed by one of its substantial shareholders. Given the availability of these undrawn banking facilities, the Group considers it will have adequate financial resources to enable it to operate and meet its liabilities and commitments as and when they fall due within the next 12 months from the end of the reporting period. Accordingly, the Group has prepared these consolidated financial statements on a going concern basis.

In the current year, the Group has adopted all the amendments to standards and interpretation issued by the HKICPA that are relevant to the Group's operations and mandatory for annual periods beginning 1 January 2024.

Notes to the Consolidated Financial Statements

1 Material accounting policies (Continued)

(a) Basis of preparation (Continued)

The adoption of these amendments to standards and interpretation does not have a material impact on the Group's accounting policies.

At the date of the authorisation of these financial statements, the following new standards, amendments and improvements to standards and interpretation were in issue, and applicable to the Group's financial statements for annual periods beginning on or after 1 January 2025, but not yet effective and have not been early adopted by the Group:

HKAS 21 and HKFRS 1 (Amendments) [(1)]	Lack of Exchangeability
HKFRS 9 and HKFRS 7 (Amendments) [(2)]	Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 [(2)]	Annual Improvements to HKFRS Accounting Standards
HKFRS 18 [(3)]	Presentation and Disclosure in Financial Statements
HKFRS 19 [(3)]	Subsidiaries without Public Accountability: Disclosures
HK Int 5 (Amendments) [(3)]	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 10 and HKAS 28 (Amendments) [(4)]	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for the Group for annual periods beginning 1 January 2025

(2) Effective for the Group for annual periods beginning 1 January 2026

(3) Effective for the Group for annual periods beginning 1 January 2027

(4) Effective for a date to be determined by the International Accounting Standards Board

The Group has commenced an assessment of the impact of adoption of the new standards, amendments and improvements to standards and interpretation applicable to the Group's financial statements for annual periods beginning on or after 1 January 2025, but not yet effective and have not been early adopted by the Group, but is not in a position to state whether these new standards, amendments and improvements to standards and interpretation would have a significant impact to its results of operations or financial position.

1 Material accounting policies (Continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries (including those directly or indirectly held or held through Contractual Arrangements) made up to 31 December and also incorporate the Group's interests in associated companies on the basis set out in note 1(d) below. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identified net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, carrying value of the acquirer's previously held equity interest in the acquiree at the acquisition date is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit and loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1 Material accounting policies (Continued)

(b) Consolidation (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intra-group transactions that are recognised in assets and liabilities are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment (note 1(i)). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

The laws and regulations of the People's Republic of China ("PRC") limit foreign ownership for enterprises engaging in certain business activities categorised as restricted foreign investment businesses ("Restricted Businesses"). The Group (and certain of its associated companies) operates certain business activities, such as advertising services, certain value-added telecommunications services and content production services which were initially/are classified as Restricted Businesses, by means of setting up domestic companies incorporated in the PRC by certain PRC nationals ("PRC Domestic Companies") through entering into a series of contractual agreements ("Contractual Agreements", the key provisions of the principal Contractual Agreements are set out on pages 188 to 189 (inclusive) of the consolidated financial statements), pursuant to which all economic benefits and risks arising from the business operation of such PRC Domestic Companies are transferred to the relevant subsidiaries of the Company ("Contractual Arrangements"). The Group does not have legal ownership in equity of these PRC Domestic Companies. Nevertheless, under the Contractual Agreements entered into among the relevant subsidiaries of the Company, PRC Domestic Companies and the PRC nationals who are the legal owners of PRC Domestic Companies, the Group is able to effectively control, recognise and receive substantially all the economic benefit of the businesses and operations of PRC Domestic Companies.

1 Material accounting policies (Continued)

(b) Consolidation (Continued)

In summary, the Contractual Arrangements provide the Group through PRC Domestic Companies with, among other things:

- power to direct the relevant activities of the PRC Domestic Companies unilaterally;
- rights to variable returns from its involvement; and
- ability to use its power to affect its returns.

As a result, the Company regards the PRC Domestic Companies as subsidiaries of the Group under HKFRSs. The Group has included the results of operations and financial position of the PRC Domestic Companies in the consolidated financial statements.

(c) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. The amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1 Material accounting policies (Continued)

(d) Associated companies

Associated companies are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associated companies includes goodwill identified and intangible assets recognised on acquisition, net of accumulated amortisation of intangible assets other than goodwill and impairment losses, if any. Upon the acquisition of the ownership interest in an associated company, any difference between the cost of the associated company and the Group's share of the net fair value of the associated company's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount adjacent to "share of profits less losses of investments accounted for using the equity method" in the consolidated income statement.

1 Material accounting policies (Continued)

(d) Associated companies (Continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in associated companies are recognised in the consolidated income statement.

(e) Financial assets

The Group classifies its financial assets in the following categories: financial assets at amortised cost and financial assets at FVOCI. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's financial assets at amortised cost comprise "trade and other receivables", "cash and cash equivalents", "restricted cash" and "short-term deposit with original maturity over 3 months" in the consolidated statement of financial position.

(ii) Financial assets at FVOCI

Financial assets at FVOCI are non-derivatives that are designated in this category or where an election is made to present fair value gains and losses on equity investments in other comprehensive income. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

1 Material accounting policies (Continued)

(e) Financial assets (Continued)

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at FVOCI are subsequently carried at fair value. Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method. Changes in the fair value of equity investments classified as financial assets at FVOCI are recognised in other comprehensive income. There is no subsequent reclassification of fair value gains or losses to profit or loss following the derecognition of the investments. Translation differences related to changes in financial assets at amortised cost are recognised in the consolidated income statement.

Dividends on equity investments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment testing of trade and other receivables is described in note 1(l).

1 Material accounting policies (Continued)

(f) Fixed assets

Fixed assets other than freehold land, are stated at historical cost less depreciation and any impairment loss. Properties include land and buildings. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land is not depreciated. Depreciation of other fixed assets is provided at rates calculated to write off their costs over their estimated useful lives on a straight-line basis at the following annual rates:

Buildings	over the shorter of the unexpired term of land lease or estimated useful lives of 50 years
Leasehold improvements	over the shorter of the lease terms or their useful lives of 5 years
Computer equipment	20% – $33\frac{1}{3}$%
Other assets	10% – $33\frac{1}{3}$%

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

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains/losses, net in the consolidated income statement.

(g) Investment properties

Investment properties are interests in land and buildings that are held to earn rentals or for capital appreciation or both. Such properties are carried in the consolidated statement of financial position at their fair value. Changes in fair values of investment properties are recorded in the consolidated income statement.

Notes to the Consolidated Financial Statements

1 Material accounting policies (Continued)

(h) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Other intangible assets

Other intangible assets include publishing rights and trademarks. Cost of other intangible assets are initially recognised and measured at cost. Other intangible assets with definite useful lives are amortised on a straight-line basis over the respective period of the operating right.

Principal annual rates are as follows:

Publishing rights	6.7% – 20% or on an individual basis based on the volumes published in proportion to management's estimated total publishing volumes in respect of the publishing rights
Trademarks	10% – 12.5%

1 Material accounting policies (Continued)

(i) Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example, goodwill are not subject to amortisation and are tested annually for impairment and when there is indication that goodwill may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Leases

(i) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and interest on lease liability. The interest on lease liability is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

1 Material accounting policies (Continued)

(j) Leases (Continued)

(i) Group as a lessee (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly computer equipment and small items of office furniture.

(ii) Group as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the leasee. If this is not the case, the lease is classified as an operating lease. However, when the Group is an intermediate lessor, the sublease are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are calculated on the weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1 Material accounting policies (Continued)

(l) Trade and other receivables

Trade and other receivables are classified as current assets if collection is expected in one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group assess on a forward-looking basis the expected credit losses associated. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applied the simplified approach permitted by HKFRS 9, which requires expected credit losses to be recognised from initial recognition of the receivables. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in other operating expenses, net in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amount previously written off are credited against other operating expenses, net in the consolidated income statement.

1 Material accounting policies (Continued)

(m) Employee benefits

(i) Pension obligations

The Group operates various post-employment schemes, including both defined contribution and defined benefit pension plans, and the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant group companies, taking into account of the recommendations of independent qualified actuaries.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plan, the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

1 Material accounting policies (Continued)

(m) Employee benefits (Continued)

(i) Pension obligations (Continued)

Past service costs are recognised immediately in the consolidated income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present values.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

1 Material accounting policies (Continued)

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

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

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associated companies, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associated companies only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1 Material accounting policies (Continued)

(p) Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Trade payables

Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Contingent liabilities and contingent assets

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

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

1 Material accounting policies (Continued)

(s) Revenue recognition

Revenue from advertising is recognised over the period when the advertisement is placed.

Revenue from sale of goods is recognised on the transfer of control of goods, which generally coincides with the time when the goods are delivered to customers and title has passed. Sales are recorded net of estimated discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns.

Revenue from provision of services is recognised when the services are rendered. Revenue from provision of mobile Internet services is recorded based on the gross amounts billed to the mobile phone users given that the Group is the primary obligor to the users with respect to such services.

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

(t) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Translation differences on non-monetary financial assets, such as equity securities classified as financial assets at FVOCI, are included in other comprehensive income.

1 Material accounting policies (Continued)

(t) Foreign currency translation (Continued)

(iii) Group companies

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

(1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(2) income and expenses for each income statement are translated at average exchange rates; and
(3) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 January 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income. For those acquisitions made prior to 1 January 2005, goodwill and fair value adjustments arising on the acquisition are expressed in the acquiring company's functional currency.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associated company that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associated companies that do not result in the Group losing significant influence) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

1 Principal accounting policies (Continued)

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the chief executive officer of the Group. The chief operating decision-maker is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

Segment profit/loss excludes other material items, such as provision for impairment, share of profits less losses of investments accounted for using the equity method and unallocated expenses. Unallocated expenses represent corporate expenses, including finance costs, and depreciation and amortisation.

Segment assets consist primarily of fixed assets, right-of-use assets, investment properties, goodwill and other intangible assets, financial assets at FVOCI, other non-current assets, inventories, trade and other receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities and pension obligations but exclude current and deferred taxation and all borrowings. Capital expenditure comprises additions to fixed assets, right-of-use assets and other intangible assets.

Sales are based on the country in which the business is operated. Total assets and capital expenditures are based on the location of the assets.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(w) Share capital

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

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

2 Financial risk management

(a) Financial risk factors

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

The Group's treasury function operates as a centralised service for managing financial risks and for providing cost efficient funding to the Group. For performing this function, the Group may collect funding from cash generating subsidiaries and provide funding to those subsidiaries that require cash for their business operation.

(i) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and deposits placed with banks. The Group has no significant concentrations of credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Sales of products and provision of services are made to customers with appropriate credit history. For credit exposures to customers, management assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Management considers other receivables apart from amounts due from associated companies as low credit risk as counterparty have a strong capacity to meet its contractual cash flow obligations in the near term. The Group has assessed the expected credit losses for these receivables are immaterial under 12 months expected credit losses method. For banks and financial institutions, the Group's deposits are only placed with banks with good credit ratings to mitigate the risk arising from banks.

For amounts due from associated companies, management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year. Indicators of significant increase in credit risk included but not limited to the significant adverse change in macroeconomic factors or the operation of the counterparty. In calculating the expected credit loss rates, the Group considers corresponding historical credit losses of the associated companies experienced, adjusted with current and forward-looking information on macroeconomic factors affecting the ability of the associated companies to settle the receivables.

2 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants (if any), to ensure the maintenance of sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and longer term.

As at 31 December 2024, the Group has undrawn banking facilities amounting to HK$655,000,000 (2023: HK$859,000,000).

The table below analyses the Group's financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 year *HK$'000*	Between 1 and 2 years *HK$'000*	Between 2 and 5 years *HK$'000*	After 5 years *HK$'000*
At 31 December 2024				
Bank borrowings, including interest payable	**204,608**	**3,977,995**	**–**	**–**
Lease liabilities	**23,507**	**22,156**	**36,838**	**–**
Trade and other payables excluding non-financial liabilities	**385,286**	**–**	**–**	**–**
At 31 December 2023				
Bank borrowings, including interest payable	220,288	218,492	3,781,406	–
Lease liabilities	21,566	19,864	52,593	3,822
Trade and other payables excluding non-financial liabilities	389,746	–	–	–

2 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Cash flow interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The key exposure of the Group to this risk originates from the interest-bearing borrowings and interest-bearing bank deposits. Borrowings issued at variable rates and bank deposits placed at variable rates expose the Group to cash flow interest rate risk.

At 31 December 2024, if interest rates on all borrowings had been 100 basis points higher/lower with all other variables held constant, pre-tax loss for the year would have been HK$38,650,000 higher/lower (2023: HK$36,610,000 higher/lower on pre-tax loss) due to higher/lower interest expense on floating rate borrowings.

At 31 December 2024, if interest rates on all interest-bearing bank deposits had been 100 basis points higher/lower with all other variables held constant, pre-tax loss for the year would have been HK$4,528,000 lower/higher (2023: HK$5,446,000 lower/higher on pre-tax loss) due to higher/lower interest income earned on market interest rates.

Management monitors the interest rate risk exposure on a continuous basis and adjusts the portfolio of borrowings where necessary.

(iv) Foreign currency risk

The Group mainly operates in the Greater China region and is exposed to foreign currency exchange risk arising from various foreign currencies, primarily Renminbi ("RMB") and New Taiwan dollar ("NT$"). Foreign exchange risk on net investments in foreign currencies is managed primarily through borrowings denominated in the relevant foreign currencies.

Since Hong Kong dollar ("HK$") is pegged to United States dollar ("US$"), management considers that there is no significant foreign currency risk between these two currencies to the Group. A sensitivity analysis on the foreign currency exposure of HK$/US$ against RMB and NT$ is set out below.

2 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Foreign currency risk (Continued)

For companies with HK$ as their functional currency

At 31 December 2024, if RMB had weakened/strengthened by 5% against HK$ with all other variables held constant, pre-tax loss for those companies for the year would have been HK$7,000 higher/lower (2023: HK$17,000 higher/lower on pre-tax loss), mainly as a result of foreign exchange losses/gains on translation of RMB denominated cash and bank balances. Loss in 2024 is less sensitive to movement in currency exchange rate than the loss in 2023 because the amount of RMB denominated cash and bank balances held by operating companies in Hong Kong had decreased.

For companies with RMB as their functional currency

At 31 December 2024, if HK$/US$ had weakened/strengthened by 5% against RMB with all other variables held constant, pre-tax loss for those companies for the year would have been HK$354,000 higher/lower (2023: HK$2,784,000 higher/lower on pre-tax loss), mainly as a result of foreign exchange losses/gains on translation of HK$/US$ denominated cash and bank balances, trade and other receivables and trade and other payables. Loss in 2024 is less sensitive to movement in currency exchange rate than the loss in 2023 because the amount of HK$/US$ denominated cash and bank balances held by operating companies in the PRC had decreased.

For companies with NT$ as their functional currency

At 31 December 2024, if HK$/US$ had weakened/strengthened by 5% against NT$ with all other variables held constant, pre-tax profit for those companies for the year would have been HK$18,000 lower/higher (2023: HK$19,000 lower/higher on pre-tax profit), mainly as a result of foreign exchange losses/gains on translation of HK$/US$ denominated cash and bank balances. Profit in 2024 is less sensitive to movement in currency exchange rate than the profit in 2023 because the amount of HK$/US$ denominated cash and bank balances held by operating companies in Taiwan had decreased.

2 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(v) Price risk

The Group is exposed to equity securities price risk, which arises from investments held by the Group and classified as financial assets at FVOCI in the consolidated statement of financial position.

At 31 December 2024, if the price of the equity securities had been 100 basis points higher/lower with all other variables held constant, the Group's equity would have been approximately HK$8,254,000 higher/lower (2023: HK$9,143,000 higher/lower) due to higher/lower fair value of financial assets at FVOCI.

(vi) Market risks sensitivity analysis

For the presentation of market risks (including interest rate risk, foreign currency risk and price risk) above, HKFRS 7 "Financial Instruments: Disclosures" requires disclosure of a sensitivity analysis for each type of market risks that shows the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed at the end of the reporting period in income statement and total equity/deficit.

The effect that is disclosed assumes that (a) a hypothetical change of the relevant risk variable had occurred at the end of the reporting period and had been applied to the relevant risk variable in existence on that date; and (b) the sensitivity analysis for each type of market risks does not reflect inter-dependencies between risk variables, e.g. the interest rate sensitivity analysis does not take into account of the impact of changes in interest rates would have on the relative strengthening and weakening of the currency with other currencies.

The preparation and presentation of the sensitivity analysis on market risk is solely for compliance with HKFRS 7 disclosure requirements in respect of financial instruments. The sensitivity analysis measures changes in the fair value and/or cash flows of the Group's financial instruments from hypothetical instantaneous changes in one risk variable (e.g. functional currency rate or interest rate), the amount so generated from the sensitivity analysis are what-if forward-looking estimates. The sensitivity analysis is for illustration purposes only and it should be noted that in practice market rates rarely change in isolation. Actual results in the future may differ materially from the sensitivity analyses due to developments in the global markets which may cause fluctuations in market rates (e.g. exchange or interest rate) to vary and therefore it is important to note that the hypothetical amounts so generated do not represent a projection of likely future events and losses.

2 Financial risk management (Continued)

(b) Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, raise or repay bank borrowings, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as principal of total borrowings divided by total capital. Total capital includes principal of total borrowings and total deficit/equity as shown in the consolidated statement of financial position. Principal of total borrowings include long-term bank loans as shown in note 28 to the consolidated statement of financial position.

The gearing ratios as at 31 December 2024 and 2023 were as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Long-term bank loans (note 28) and principal of total borrowings	**3,865,000**	3,661,000
Total deficit	**(1,663,896)**	(1,290,461)
Total capital	**2,201,104**	2,370,539
Gearing ratio	**176%**	154%

The increase in the gearing ratio in 2024 resulted primarily from increase in accumulated losses and bank loans.

2 Financial risk management (Continued)

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, or discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The carrying value less impairment provision of trade and other receivables, and trade and other payables are assumed to approximate their fair values. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market rate that is available to the Group for similar financial instruments.

The financial instruments that are measured at fair value require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

2 Financial risk management (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value:

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
At 31 December 2024				
Assets				
Investment properties	–	–	16,854	16,854
Financial assets at FVOCI				
– Equity securities (note)	3,228	–	821,877	825,105
Total assets	3,228	–	838,731	841,959
Total liabilities	–	–	–	–
At 31 December 2023				
Assets				
Investment properties	–	–	18,857	18,857
Financial assets at FVOCI				
– Equity securities (note)	5,494	–	908,498	913,992
Total assets	5,494	–	927,355	932,849
Total liabilities	–	–	–	–

Notes to the Consolidated Financial Statements

2 Financial risk management (Continued)

(c) Fair value estimation (Continued)

Note:

Included in financial assets at FVOCI, the Group owns 7.96% (2023: 8.03%) equity interests in WeLab as at 31 December 2024.

The Group has unrecognised gain on initial recognition of financial assets at FVOCI during the year ended 31 December 2023 and as at 31 December 2024 of HK$12,907,000. The unrecognised gain arose from acquisition of financial assets at FVOCI. The respective transaction price is favorable than the fair value and is not best evidence of fair value. The Company considers it is of the best interest of the shareholders for the Company to enter into the transaction. The amount is yet to be recognised in financial assets at FVOCI until the fair value of underlying financial asset is evidenced by a quoted price in an active market (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.

There were no transfers among Level 1, Level 2 and Level 3 during the year. The Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The following table presents the changes in Level 3 items for the years ended 31 December 2024 and 31 December 2023:

	Investment properties	Unlisted equity securities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2023	21,246	1,002,068	1,023,314
Capital investment	–	17,293	17,293
Net revaluation deficit	(1,820)	(110,784)	(112,604)
Exchange adjustment	(569)	(79)	(648)
At 31 December 2023	18,857	908,498	927,355
Capital investment	–	6,248	6,248
Net revaluation deficit	(1,484)	(91,967)	(93,451)
Exchange adjustment	(519)	(902)	(1,421)
At 31 December 2024	16,854	821,877	838,731

3 Critical accounting estimates and judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities related to financial assets at FVOCI and defined benefit retirement obligations are contained in notes 21 and 29 to the consolidated financial statements respectively. Other key sources of estimation uncertainty are as follows:

(a) Critical accounting estimates and assumptions

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment and when there is indication that goodwill may be impaired, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of the CGUs have been determined based on higher of value-in-use or fair value less costs of disposal. These calculations require the use of estimates (note 17). It is reasonably possible that the judgements and estimates could change in future periods. Changes to the judgements and estimates can significantly affect the recoverable amounts of the CGUs in future periods.

No goodwill impairment charge arose in Publishing Group during the year. For sensitivity analysis, if a 1% annual sales growth rate is reduced from the original discounted cash flow assumption under the value-in-use calculations, no further impairment would have been recognised (2023: Same). A reasonably possible change in a key assumption would not cause the recoverable amount to fall below the carrying value of the respective CGU.

3 Critical accounting estimates and judgements (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(ii) Estimated impairment of investments in associated companies

The Group tests whether investments in associated companies have suffered any impairment or decrease in an impairment, when there is an indication of impairment or potential decrease in an impairment, in accordance with the accounting policy stated in note 1(d). For investments in associated companies with indication of impairment or potential decrease in an impairment, the Group's share of recoverable amount of the relevant associated companies has been determined based on higher of value-in-use or fair value less costs of disposal. These calculations require the use of estimates (note 19). It is reasonably possible that the judgements and estimates could change in future periods. Changes to the judgements and estimates can significantly affect the carrying amount of the investment in future periods.

No further impairment or reversal of impairment of investments in associated companies arose during the years ended 31 December 2024 and 31 December 2023.

The investments in associated companies suffered impairment will be reviewed for possible further impairment or reversal of the impairment at each reporting date.

(iii) Income taxes

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

3 Critical accounting estimates and judgements (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(iii) Income taxes (Continued)

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilised, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax group. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred tax assets and related financial models and budgets are reviewed at the end of the reporting period and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilisation periods to allow utilisation of the deductible temporary differences and the carry forward of unutilised tax losses and tax credits, the asset balance will be reduced and charged to the consolidated income statement.

(iv) Provision for sales return

Sales return provision is made by the Group upon the delivery of goods to the customers when the control of the goods are transferred to the customers. As at 31 December 2024, the provision for sales return of the Group amounted to HK$23,825,000 (2023: HK$24,839,000). This provision is recognised by the Group based on the best estimates by management with reference to past experience and other relevant factors. Any difference between this estimate and the actual return will impact the Group's results in the period in which the actual return is determined.

(v) Provision for impairment of trade and other receivables

The policy for provision for impairment of trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement or expected credit losses associated with credit risk. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. The amount of provision made as at 31 December 2024 was HK$27,622,000 (2023: HK$28,767,000). If the financial conditions of customers of the Group were to change, resulting in an impairment or improvement in their abilities to make payments, either additional provision or reversal of previously made provision may be required. No provision was made for amounts due from associated companies as at 31 December 2024 (2023: Nil).

3 Critical accounting estimates and judgements (Continued)

(b) Critical judgements in applying the Group's accounting policy

Consolidation of PRC Domestic Companies under Contractual Arrangements

Regarding the consolidation of PRC Domestic Companies under Contractual Arrangements, the directors of the Company assessed whether or not the Group has control over the PRC Domestic Companies based on whether or not the Group has power to direct the relevant activities of PRC Domestic Companies unilaterally, rights to variable returns from its involvement, and has the ability to use its power to affect its returns. In making their judgement, the directors of the Company considered the Contractual Agreements. The key provisions of the principal Contractual Agreements are set out on pages 188 to 189 (inclusive) of the consolidated financial statements.

The directors of the Company, after consulting legal opinion, are of the view that the terms of the Contractual Agreements under the Contractual Arrangements have in substance enabled the Group to exercise full control over and enjoy all economic benefits of the PRC Domestic Companies, despite the absence of formal legal equity interest held by the Group therein. Accordingly, PRC Domestic Companies are accounted for as subsidiaries of the Group.

The Company is of the view that entering of the Contractual Arrangements is not in contravention of the relevant PRC laws and regulations currently in force. However, uncertainties in the PRC legal system could cause the Group's current contractual arrangement structure to be found in violation of any existing and/or future PRC laws or regulations and could limit the relevant subsidiaries of the Company's ability to enforce the rights under the Contractual Arrangements.

Notes to the Consolidated Financial Statements

4 Segment information

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out on pages 185 to 189.

The following revenue is recognised during the year:

	2024 *HK$'000*	2023 *HK$'000*
– Provision of mobile Internet services, online advertising and commercial enterprise solutions	5,034	6,169
– Provision of services of online community and social networking websites and related online advertising	15,427	22,694
– Magazine and book publishing and circulation, sales of advertising and other related products	702,673	740,844
– Provision of media sales, event production and marketing services	23,882	14,739
Consolidated revenue	747,016	784,446

The Group has five reportable operating segments:

- E-Commerce Group – provision of services to users using the mobile and Internet-based marketplace and provision of technical services for e-commerce/supply chain operations.
- Mobile Internet Group – provision of mobile Internet services, online advertising and commercial enterprise solutions.
- Social Network Group – provision of services of online community and social networking websites and related online advertising.
- Publishing Group – magazine and book publishing and circulation, sales of advertising and other related products.
- Advertising Group – provision of media sales, event production and marketing services.

Sales between segments are carried out at arm's length.

4 Segment information (Continued)

The segment results for the year ended 31 December 2024 are as follows:

	Year ended 31 December 2024							
	Technology Platform and Investments				Media Business			
	E-Commerce Group *HK$'000*	Mobile Internet Group *HK$'000*	Social Network Group *HK$'000*	Sub-total *HK$'000*	Publishing Group *HK$'000*	Advertising Group *HK$'000*	Sub-total *HK$'000*	Total *HK$'000*
Gross segment revenue	–	5,034	16,214	21,248	702,719	24,049	726,768	748,016
Inter-segment revenue	–	–	(787)	(787)	(46)	(167)	(213)	(1,000)
Net revenue from external customers	–	5,034	15,427	20,461	702,673	23,882	726,555	747,016
Timing of revenue recognition:								
At a point in time	–	784	15,427	16,211	660,573	2,877	663,450	679,661
Over time	–	4,250	–	4,250	42,100	21,005	63,105	67,355
	–	5,034	15,427	20,461	702,673	23,882	726,555	747,016
Segment profit/(loss) before amortisation and depreciation	213	(5,838)	(11,034)	(16,659)	179,823	(445)	179,378	162,719
Amortisation and depreciation	(3)	(1,369)	(1,963)	(3,335)	(120,204)	(3)	(120,207)	(123,542)
Segment profit/(loss)	210	(7,207)	(12,997)	(19,994)	59,619	(448)	59,171	39,177
Other material item:								
Share of profits less losses of investments accounted for using the equity method	(2,703)	5	–	(2,698)	4,197	–	4,197	1,499
Finance costs:								
Finance income (note a)	1	1,279	43	1,323	6,997	425	7,422	8,745
Finance expenses	–	(36)	(306)	(342)	(2,283)	–	(2,283)	(2,625)
	1	1,243	(263)	981	4,714	425	5,139	6,120
Segment profit/(loss) before taxation	(2,492)	(5,959)	(13,260)	(21,711)	68,530	(23)	68,507	46,796
Unallocated corporate expenses								(282,801)
Loss before taxation								(236,005)
Expenditure for operating segment non-current assets	–	139	1,829	1,968	137,127	–	137,127	139,095
Unallocated expenditure for non-current assets								13,077
Total expenditure for non-current assets								152,172

Note (a):

Inter-segment interest income amounted to HK$4,701,000 was included in the finance income.

4 Segment information (Continued)

The segment assets and liabilities at 31 December 2024 are as follows:

	As at 31 December 2024							
	Technology Platform and Investments				Media Business			
	E-Commerce Group *HK$'000*	Mobile Internet Group *HK$'000*	Social Network Group *HK$'000*	Sub-total *HK$'000*	Publishing Group *HK$'000*	Advertising Group *HK$'000*	Sub-total *HK$'000*	Total *HK$'000*
Segment assets	175,255	616,009	14,301	805,565	1,429,001	51,432	1,480,433	2,285,998
Investments accounted for using the equity method	359,696	–	–	359,696	5,123	–	5,123	364,819
Unallocated assets								150,396
Total assets								2,801,213
Segment liabilities	13,866	16,485	10,122	40,473	417,398	11,056	428,454	468,927
Unallocated liabilities:								
Corporate liabilities								97,922
Current taxation								20,848
Deferred taxation								20,015
Borrowings								3,857,397
Total liabilities								4,465,109

4 Segment information (Continued)

The segment results for the year ended 31 December 2023 are as follows:

	Year ended 31 December 2023							
	Technology Platform and Investments				Media Business			
	E-Commerce Group HK$'000	Mobile Internet Group HK$'000	Social Network Group HK$'000	Sub-total HK$'000	Publishing Group HK$'000	Advertising Group HK$'000	Sub-total HK$'000	Total HK$'000
Gross segment revenue	–	6,169	25,185	31,354	741,833	14,981	756,814	788,168
Inter-segment revenue	–	–	(2,491)	(2,491)	(989)	(242)	(1,231)	(3,722)
Net revenue from external customers	–	6,169	22,694	28,863	740,844	14,739	755,583	784,446
Timing of revenue recognition:								
At a point in time	–	1,010	22,694	23,704	694,460	638	695,098	718,802
Over time	–	5,159	–	5,159	46,384	14,101	60,485	65,644
	–	6,169	22,694	28,863	740,844	14,739	755,583	784,446
Segment profit/(loss) before amortisation and depreciation	11,750	(6,383)	(12,176)	(6,809)	204,943	(2,221)	202,722	195,913
Amortisation and depreciation	(3)	(1,409)	(2,629)	(4,041)	(132,408)	(3)	(132,411)	(136,452)
Segment profit/(loss)	11,747	(7,792)	(14,805)	(10,850)	72,535	(2,224)	70,311	59,461
Other material items:								
Provision for impairment of goodwill	–	–	(7,504)	(7,504)	–	–	–	(7,504)
Reversal of provision for impairment in amounts due from associated companies	3,134	11,091	–	14,225	–	–	–	14,225
Share of profits less losses of investments accounted for using the equity method	(24,418)	(4)	–	(24,422)	5,512	–	5,512	(18,910)
	(21,284)	11,087	(7,504)	(17,701)	5,512	–	5,512	(12,189)
Finance costs:								
Finance income (note a)	4	2,904	35	2,943	6,086	386	6,472	9,415
Finance expenses	–	(54)	(42)	(96)	(486)	–	(486)	(582)
	4	2,850	(7)	2,847	5,600	386	5,986	8,833
Segment profit/(loss) before taxation	(9,533)	6,145	(22,316)	(25,704)	83,647	(1,838)	81,809	56,105
Unallocated corporate expenses								(253,706)
Loss before taxation								(197,601)
Expenditure for operating segment non-current assets	–	2,413	5,481	7,894	206,263	–	206,263	214,157
Unallocated expenditure for non-current assets								–
Total expenditure for non-current assets								214,157

Note (a):

Inter-segment interest income amounted to HK$4,144,000 was included in the finance income.

4 Segment information (Continued)

The segment assets and liabilities at 31 December 2023 are as follows:

	As at 31 December 2023							
	Technology Platform and Investments				Media Business			
	E-Commerce Group *HK$'000*	Mobile Internet Group *HK$'000*	Social Network Group *HK$'000*	Sub-total *HK$'000*	Publishing Group *HK$'000*	Advertising Group *HK$'000*	Sub-total *HK$'000*	Total *HK$'000*
Segment assets	199,412	714,747	21,607	935,766	1,458,065	55,583	1,513,648	2,449,414
Investments accounted for using the equity method	364,556	3,172	–	367,728	7,268	–	7,268	374,996
Unallocated assets								183,490
Total assets								3,007,900
Segment liabilities	14,976	21,776	13,424	50,176	452,597	12,154	464,751	514,927
Unallocated liabilities:								
Corporate liabilities								81,125
Current taxation								27,367
Deferred taxation								26,186
Borrowings								3,648,756
Total liabilities								4,298,361

The unallocated assets represent the corporate assets. The unallocated liabilities represent the corporate liabilities in addition to operating segment taxation payable, deferred tax liabilities and borrowings which are managed on a central basis.

4 Segment information (Continued)

The Group's businesses are operated in three main geographical areas:

Hong Kong – Publishing Group

Mainland China – E-Commerce Group, Mobile Internet Group, Publishing Group and Advertising Group

Taiwan and other Asian country – Social Network Group and Publishing Group

Revenue analysis (note a):

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**44,399**	51,008
Mainland China	**29,195**	21,182
Taiwan and other Asian country	**673,422**	712,256
	747,016	784,446

Non-current assets analysis (note b):

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**11,911**	4,427
Mainland China	**377,178**	388,475
Taiwan and other Asian country	**751,470**	747,938
	1,140,559	1,140,840

Notes:

(a) Revenue is allocated based on the country in which the business is operated. There are no significant sales between the geographical segments.

(b) Non-current assets other than financial instruments, pension assets and deferred tax assets are allocated based on the location of the assets.

5 Provision/(reversal of provision) for impairment in amounts due from associated companies and goodwill

	2024 *HK$'000*	2023 *HK$'000*
Provision/(reversal of provision) for impairment in respect of:		
Amounts due from associated companies (note a) (note 24(d))	–	(14,471)
Goodwill (note b) (note 17)	–	7,504

Notes:

(a) For the year ended 31 December 2023, a reversal of provision for impairment amounting to HK$14,471,000 in relation to the Group's amounts due from associated companies had been further recognised in the consolidated income statement to reflect the reduction in credit risk for amounts due from Ule Holdings Limited ("Ule") and its subsidiaries ("Ule Holdings Group") subsequent to the settlement of RMB155,000,000 from Ule.

(b) For the year ended 31 December 2023, a provision for impairment of goodwill amounting to HK$7,504,000 was made in relation to social media business under the Social Network Group. The provision for impairment of goodwill was made with reference to the reduced estimated recoverable value of the CGU in the above-mentioned segment. The estimated recoverable values were determined based on higher of value-in-use or fair value less costs of disposal.

6 Other operating expenses, net

	2024 *HK$'000*	2023 *HK$'000*
Staff costs	79,221	83,998
Travel and entertainment	1,231	1,260
Provision for inventories	13,203	14,480
Provision/(reversal of provision) for impairment of trade receivables, net (note 24(c))	33	(244)
Depreciation of fixed assets	6,190	6,069
Depreciation of right-of-use assets	21,199	21,159
Amortisation of other intangible assets	3	3
Other expenses, net	10,552	5,441
	131,632	132,166

7 Other (losses)/gains, net

	2024 *HK$'000*	2023 *HK$'000*
Dividend income from financial assets at FVOCI	598	1,347
Gain on disposal of fixed assets	236	101
Fair value loss on revaluation of investment properties (note 16)	(1,484)	(1,820)
Exchange (loss)/gain, net	(315)	3,851
	(965)	3,479

8 Loss before net finance costs and taxation

Loss before net finance costs and taxation is stated after charging/crediting the following:

	2024 *HK$'000*	2023 *HK$'000*
Charging:		
Depreciation of fixed assets (note 14)	9,596	9,266
Depreciation of right-of-use assets (note 15)	25,039	25,388
Amortisation of other intangible assets (note 18)	93,539	107,105
Staff costs (including directors' emoluments) (note 13)	301,671	315,687
Expenses related to short-term leases (included in cost of sales and administrative expenses)	491	1,522
Auditors' remuneration		
– Audit and audit related work		
– PricewaterhouseCoopers	6,502	6,197
– Other auditors	366	397
– Non-audit work		
– PricewaterhouseCoopers	380	350
– Other auditors	149	138
Provision for impairment of goodwill (notes 5 and 17)	–	7,504
Provision for impairment of trade receivables, net (note 24(c))	33	–
Provision for inventories	13,203	14,480
Fair value loss on revaluation of investment properties (note 16)	1,484	1,820
Exchange loss, net	315	–
Crediting:		
Reversal of provision for impairment in amounts due from associated companies (note 5)	–	14,471
Reversal of provision for impairment of trade receivables, net (note 24(c))	–	244
Write back of other payables, net	4,102	8,180
Dividend income from financial assets at FVOCI	598	1,347
Gain on disposal of fixed assets	236	101
Exchange gain, net	–	3,851

The above expense items by nature were included in cost of sales, selling and marketing expenses, administrative expenses, other operating expenses, net and other (losses)/gains, net in the consolidated income statement.

9 Finance costs, net

	2024 *HK$'000*	2023 *HK$'000*
Interest and borrowing costs on bank loans	**219,251**	194,082
Interest costs on lease liabilities	**2,850**	578
Bank interest income	**(4,044)**	(5,271)
	218,057	189,389

Note:

No interest has been capitalised during the year (2023: Same).

10 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represents:

	2024 *HK$'000*	2023 *HK$'000*
Overseas taxation	**13,402**	14,502
Under-provision in prior years	**907**	1,062
Deferred taxation (note 30(c))	**(3,195)**	(1,702)
Taxation charge	**11,114**	13,862

10 Taxation (Continued)

Taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the applicable taxation rate of the home country of the Group is as follows:

	2024 *HK$'000*	2023 *HK$'000*
Loss before taxation	(236,005)	(197,601)
Calculated at a taxation rate of 16.5% (2023: 16.5%)	(38,941)	(32,604)
Effect of different applicable taxation rates in other countries	1,375	1,327
Income not subject to taxation	(3,137)	(5,551)
Expenses not deductible for taxation purposes	40,019	35,704
Utilisation of previously unrecognised tax losses	(844)	(1,703)
Recognition of previously unrecognised temporary differences	133	–
Tax losses not recognised	11,655	12,075
Temporary differences not recognised	(326)	(2,300)
Tax effect of results of investments accounted for using the equity method	(247)	3,120
Withholding tax	520	2,732
Under-provision in prior years	907	1,062
Taxation charge	11,114	13,862

11 Dividends

No dividends had been paid or declared by the Company during the year (2023: Nil).

12 Loss per share

(a) Basic

The calculation of basic loss per share is based on consolidated loss attributable to equity holders of the Company of HK$256,031,000 (2023: HK$221,426,000) and the weighted average of 3,958,510,558 (2023: 3,958,510,558) ordinary shares in issue during the year.

(b) Diluted

Diluted loss per share is equal to the basic loss per share for the year ended 31 December 2024 (2023: Same).

13 Staff costs, including directors' emoluments

	2024 ***HK$'000***	2023 *HK$'000*
Wages and salaries	**287,847**	300,758
Pension costs – defined contribution plans	**12,161**	12,912
Pension costs – defined benefit plans (note 29(b))	**1,663**	2,017
	301,671	315,687

13 Staff costs, including directors' emoluments (Continued)

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2023: Same) director whose emoluments are reflected in the analysis shown in note 39(a). The emoluments payable to the remaining four (2023: Same) individuals during the year are as follows:

	2024 *HK$'000*	2023 *HK$'000*
Basic salaries, housing allowances, other allowances and benefits in kind	9,565	9,421
Discretionary bonuses	2,498	2,698
Contributions to retirement benefit schemes	240	304
	12,303	12,423

The emoluments of these four (2023: Same) individuals fell within the following bands:

	Number of individuals 2024	 2023
Emolument bands		
HK$2,000,001 – HK$2,500,000	2	1
HK$2,500,001 – HK$3,000,000	1	2
HK$4,500,001 – HK$5,000,000	1	1

14 Fixed assets

	Properties HK$'000	Leasehold improvements HK$'000	Computer equipment HK$'000	Other assets HK$'000	Total HK$'000
Cost					
At 1 January 2023	6,847	25,211	226,018	22,034	280,110
Exchange adjustment	(267)	(158)	(3,402)	(337)	(4,164)
Additions	–	1,033	4,948	898	6,879
Disposals and write-offs	–	(5,594)	(75,838)	(2,703)	(84,135)
At 31 December 2023	6,580	20,492	151,726	19,892	198,690
At 1 January 2024	6,580	20,492	151,726	19,892	198,690
Exchange adjustment	99	(1,125)	(7,122)	(772)	(8,920)
Additions	6	27,126	3,783	6,180	37,095
Disposals and write-offs	(965)	(8,012)	(49,540)	(5,847)	(64,364)
At 31 December 2024	5,720	38,481	98,847	19,453	162,501
Accumulated depreciation and impairment losses					
At 1 January 2023	1,896	23,186	213,484	20,804	259,370
Exchange adjustment	(72)	(133)	(3,314)	(361)	(3,880)
Depreciation charge for the year	126	1,618	6,954	568	9,266
Disposals and write-offs	–	(5,594)	(75,804)	(2,701)	(84,099)
At 31 December 2023	1,950	19,077	141,320	18,310	180,657
At 1 January 2024	1,950	19,077	141,320	18,310	180,657
Exchange adjustment	19	(722)	(6,594)	(629)	(7,926)
Depreciation charge for the year	100	3,316	5,084	1,096	9,596
Disposals and write-offs	(965)	(8,012)	(49,523)	(5,845)	(64,345)
At 31 December 2024	1,104	13,659	90,287	12,932	117,982
Net book value					
At 31 December 2024	4,616	24,822	8,560	6,521	44,519
At 31 December 2023	4,630	1,415	10,406	1,582	18,033

15 Leases

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 *HK$'000*	2023 *HK$'000*
Right-of-use assets		
Offices	59,905	71,141
Retail stores	489	676
Warehouses	12,593	17,683
	72,987	89,500
Lease liabilities		
Current	21,228	19,035
Non-current	56,321	71,713
	77,549	90,748

The depreciation charges of right-of-use assets recognised in the consolidated income statement are as follows:

	2024 *HK$'000*	2023 *HK$'000*
Offices	20,693	20,944
Retail stores	150	676
Warehouses	4,196	3,768
	25,039	25,388

Notes:

(a) During the year ended 31 December 2024, additions to the right-of-use assets were HK$13,154,000 (2023: HK$97,544,000).

(b) Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, except for those commonly found in lease agreements.

(c) During the year ended 31 December 2024, the total cash outflow for leases was HK$24,362,000 (2023: HK$24,967,000).

16 Investment properties

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**18,857**	21,246
Decrease in fair value of investment properties	**(1,484)**	(1,820)
Exchange adjustment	**(519)**	(569)
At 31 December	**16,854**	18,857

Amounts recognised in profit or loss for investment properties:

	2024 *HK$'000*	2023 *HK$'000*
Rental income	**1,236**	1,369
Direct operating expenses from properties that generated rental income	**(153)**	(169)
Direct operating expenses from properties that did not generate rental income	**–**	(9)
Fair value loss recognised in profit or loss	**(1,484)**	(1,820)

Notes:

(a) During the year ended 31 December 2024, properties of HK$16,854,000 (2023: HK$18,857,000) have been fair valued by an independent external valuer.

(b) The fair values of the properties were arrived at by reference to the capitalised rental derived from the existing tenancy and the reversionary potential of the properties (2023: Same).

17 Goodwill

	2024 *HK$'000*	2023 *HK$'000*
Net book value, at 1 January	501,883	509,396
Exchange adjustment	(44)	(9)
Provision for impairment (note 5)	–	(7,504)
Net book value, at 31 December	501,839	501,883
At 31 December:		
Cost	1,381,580	1,441,303
Accumulated amortisation and impairment	(879,741)	(939,420)
Net book value	501,839	501,883

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs identified according to business and geographical segments.

A segment level goodwill allocation is presented as below:

	2024 Taiwan and other Asian country *HK$'000*	2023 Taiwan and other Asian country *HK$'000*
Publishing Group	501,839	501,883

The recoverable amounts of Publishing Group as at 31 December 2024 are determined based on value-in-use calculations prepared by management (2023: Same). These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business segments in which the CGUs operate.

17 Goodwill (Continued)

Impairment test for goodwill (Continued)

The Group prepared the financial budgets reflecting current and prior year performances as well as market development expectations. There are a number of assumptions and estimates involved for the preparation of the budgets, the cash flow projections for the period covered by the approved budgets and the estimated terminal value at the end of the budget period. Key assumptions include annual sales growth rates, gross margin, growth rates and discount rates.

The growth rates and discount rates used for the value-in-use calculations for the CGUs are:

	Social Network Group		Publishing Group	
	2024	2023	**2024**	2023
Growth rate[1]	**N/A**	1%	**1.5%**	1%
Discount rate[2]	**N/A**	18%	**11%**	9%

1 Weighted average growth rate used to extrapolate cash flows beyond the five-year budget period

2 Pre-tax discount rate applied to the cash flow projections

The weighted average growth rates used are consistent with the forecasts. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Other key assumptions include annual sales growth rate and gross margin.

18 Other intangible assets

	Concession rights HK$'000	Publishing rights HK$'000	Trademarks HK$'000	Total HK$'000
Cost				
At 1 January 2023	1,960	222,981	663	225,604
Exchange adjustment	(52)	(1,052)	(4)	(1,108)
Additions	–	109,734	–	109,734
Write-offs	(1,908)	(97,265)	–	(99,173)
At 31 December 2023	–	234,398	659	235,057
At 1 January 2024	–	234,398	659	235,057
Exchange adjustment	–	(13,996)	(38)	(14,034)
Additions	–	101,923	–	101,923
Write-offs	–	(85,287)	–	(85,287)
At 31 December 2024	–	237,038	621	237,659
Accumulated amortisation and impairment losses				
At 1 January 2023	1,960	87,031	646	89,637
Exchange adjustment	(52)	(28)	(3)	(83)
Amortisation charge for the year	–	107,102	3	107,105
Write-offs	(1,908)	(97,265)	–	(99,173)
At 31 December 2023	–	96,840	646	97,486
At 1 January 2024	–	96,840	646	97,486
Exchange adjustment	–	(7,582)	(38)	(7,620)
Amortisation charge for the year	–	93,536	3	93,539
Write-offs	–	(85,287)	–	(85,287)
At 31 December 2024	–	97,507	611	98,118
Net book value				
At 31 December 2024	–	139,531	10	139,541
At 31 December 2023	–	137,558	13	137,571

Of the total amortisation charge, HK$93,536,000 (2023: HK$107,102,000) and HK$3,000 (2023: HK$3,000) were included in cost of sales and other operating expenses, net respectively.

19 Investments accounted for using the equity method

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 HK$'000	2023 HK$'000
Associated companies, as at 31 December	364,819	374,996

The share of net profits/(losses) recognised in the consolidated income statement are as follows:

	2024 HK$'000	2023 HK$'000
Associated companies, for the year ended 31 December	1,499	(18,910)

Interests in associated companies

Movements in interests in associated companies during the year:

	2024 HK$'000	2023 HK$'000
At 1 January	374,996	401,060
Share of profits less losses	1,499	(18,910)
Share of revaluation (deficit)/surplus through other comprehensive income from an associated company	(17)	257
Share of cash distribution from an associated company upon its deregistration	(3,177)	–
Dividend received from associated companies	(5,911)	(5,488)
Exchange adjustment	(2,571)	(1,923)
At 31 December	364,819	374,996

Notes to the Consolidated Financial Statements

19 Investments accounted for using the equity method (Continued)

Interests in associated companies (Continued)

Notes:

(i) The Group considered Ule Holdings Group as material associated companies. Ule Holdings Group is a strategic investment for the Group's e-commerce/supply chain business development and investment.

Set out below are the summarised financial information of Ule Holdings Group which is accounted for using the equity method:

Summarised consolidated statement of financial position as at 31 December

	2024 *HK$'000*	2023 *HK$'000*
Current		
Cash and cash equivalents	1,098,579	834,080
Other current assets	1,814,497	1,165,966
Total current assets	2,913,076	2,000,046
Financial liabilities (excluding trade and other payables, and provision)	–	–
Other current liabilities	(2,575,331)	(1,644,329)
Total current liabilities	(2,575,331)	(1,644,329)
Non-current		
Assets	11,775	20,541
Liabilities	–	(5,026)
Net assets	349,520	371,232

19 Investments accounted for using the equity method (Continued)

Interests in associated companies (Continued)

Notes (Continued):

(i) Set out below are the summarised financial information of Ule Holdings Group which is accounted for using the equity method (Continued):

Summarised consolidated statement of comprehensive income for the year ended 31 December

	2024 *HK$'000*	2023 *HK$'000*
Revenue	6,329,492	3,752,201
Depreciation and amortisation	(8,195)	(8,854)
Interest income	14,368	27,073
Loss and post-tax loss from continuing operations	(12,075)	(87,334)
Other comprehensive expense	(9,637)	(7,431)
Total comprehensive expense	(21,712)	(94,765)
Dividend received from associated companies	–	–

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in Ule Holdings Group:

	2024 *HK$'000*	2023 *HK$'000*
Net assets as at 1 January	371,232	465,997
Loss for the year	(12,075)	(87,334)
Revaluation (deficit)/surplus of financial assets at FVOCI	(74)	1,150
Exchange adjustment	(9,563)	(8,581)
Net assets as at 31 December	349,520	371,232
Interests in associated companies (22.39%) (2023: 22.39%)	78,244	83,104
Fair value adjustments	679,019	679,019
Accumulated amortisation of other intangible assets	(51,603)	(51,603)
Provision for impairment	(345,964)	(345,964)
Carrying value as at 31 December	359,696	364,556

19 Investments accounted for using the equity method (Continued)

Interests in associated companies (Continued)

Notes (Continued):

(ii) Set out below are the aggregated financial information of the Group's share of the remaining associated companies:

	2024 *HK$'000*	2023 *HK$'000*
Carrying values	5,123	10,440
Profit from continuing operations	4,202	5,508
Other comprehensive expense	(431)	(2)
Total comprehensive income	3,771	5,506

(iii) Recoverable amount assessment for investments accounted for using the equity method

As at 31 December 2024, management has assessed and considered that there is no indicator for further impairment or reversal of impairment on the carrying value of investments accounted for using the equity method.

The list of the principal associated companies of the Group at 31 December 2024 is set out on pages 185 to 189.

As at 31 December 2024, the Group has HK$1,828,000 (2023: HK$1,529,000) accumulated unrecognised share of loss of the associated companies and HK$299,000 unrecognised share of loss (2023: profit of HK$341,000) for the year ended 31 December 2024.

20 Financial instruments by category

	Financial assets at amortised cost *HK$'000*	Financial assets at FVOCI *HK$'000*	Total *HK$'000*
Assets as per consolidated statement of financial position			
31 December 2024			
Financial assets at FVOCI (note 21)	**–**	**825,105**	**825,105**
Long-term receivables (note 22)	**7,225**	**–**	**7,225**
Trade and other receivables excluding prepayments	**211,530**	**–**	**211,530**
Cash and cash equivalents (note 26)	**448,325**	**–**	**448,325**
Restricted cash (note 25)	**5,382**	**–**	**5,382**
	672,462	**825,105**	**1,497,567**
31 December 2023			
Financial assets at FVOCI (note 21)	–	913,992	913,992
Long-term receivables (note 22)	5,279	–	5,279
Trade and other receivables excluding prepayments	231,920	–	231,920
Short-term deposit with original maturity over 3 months	43,680	–	43,680
Cash and cash equivalents (note 26)	494,551	–	494,551
Restricted cash (note 25)	7,317	–	7,317
	782,747	913,992	1,696,739

20 Financial instruments by category (Continued)

	Other financial liabilities *HK$'000*
Liabilities as per consolidated statement of financial position	
31 December 2024	
Long-term bank loans (note 28)	**3,857,397**
Lease liabilities (note 15)	**77,549**
Trade and other payables excluding non-financial liabilities	**385,845**
	4,320,791
31 December 2023	
Long-term bank loans (note 28)	3,648,756
Lease liabilities (note 15)	90,748
Trade and other payables excluding non-financial liabilities	391,542
	4,131,046

21 Financial assets at fair value through other comprehensive income

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**913,992**	1,035,172
Capital investment	**6,248**	17,293
Net revaluation deficit	**(94,233)**	(138,394)
Exchange adjustment	**(902)**	(79)
At 31 December	**825,105**	913,992
Less: Non-current portion	**(825,105)**	(913,992)
Current portion	**–**	–

21 Financial assets at fair value through other comprehensive income (Continued)

The Group's financial assets at FVOCI include the following:

	2024 *HK$'000*	2023 *HK$'000*
Listed equity securities	3,228	5,494
Unlisted equity securities	821,877	908,498
	825,105	913,992

The Group's financial assets at FVOCI are denominated in the following currencies:

	2024 *HK$'000*	2023 *HK$'000*
US$	805,678	892,014
Euro	1,188	1,262
NT$	15,011	15,222
HK$	3,228	5,494
	825,105	913,992

Notes:

(a) During the year ended 31 December 2024, certain financial assets at FVOCI of HK$806,866,000 (2023: HK$893,276,000) have been fair valued by an independent external valuer. As at 31 December 2024, the respective fair value of those financial assets at FVOCI was mainly arrived by reference to the subscription price of latest round of financing of equity interests which is a significant input. Other insignificant inputs include market multiple, marketability discount, minority discount and probability of conversion scenario.

(b) These equity securities are strategic investments and not investments held for trading purpose. The Group made an irrevocable election at initial recognition to recognise these investments in this category so the Group considers this category to be the most appropriate classification.

22 Other non-current assets

	2024 *HK$'000*	2023 *HK$'000*
Long-term receivables	7,225	5,279
Represented by:		
Receivables from third parties	7,225	5,279

The maximum exposure to credit risk on long-term receivables at the reporting date is their carrying values.

The Group does not hold any collateral as security.

23 Inventories

	2024 *HK$'000*	2023 *HK$'000*
Merchandise	12,348	12,692
Finished goods	63,267	65,353
Work in progress	14,953	15,429
	90,568	93,474

The cost of inventories recognised as an expense and included in the cost of sales amounted to HK$196,830,000 (2023: HK$211,549,000).

24 Trade and other receivables

	2024 *HK$'000*	2023 *HK$'000*
Trade receivables (note c)	**177,878**	194,153
Prepayments, deposits and other receivables (note d)	**41,677**	47,068
	219,555	241,221

(a) The Group has established credit policies for customers in each of its businesses. The average credit period granted for trade receivables ranges from 30 to 180 days. The Group's revenue is determined in accordance with terms specified in the contracts governing the relevant transactions. The carrying values of trade and other receivables approximate their fair values.

(b) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024 *HK$'000*	2023 *HK$'000*
HK$	**15,746**	9,872
US$	**73**	1,726
RMB	**15,539**	14,656
NT$	**188,192**	214,967
Others	**5**	–
	219,555	241,221

24 Trade and other receivables (Continued)

(c) As at 31 December 2024 and 2023, the ageing analyses of the Group's trade receivables, based on terms specified in the contracts governing the relevant transactions, were as follows:

	2024 *HK$'000*	2023 *HK$'000*
Current	84,304	101,667
31 – 60 days	47,670	42,243
61 – 90 days	24,056	25,099
Over 90 days	49,470	53,911
	205,500	222,920
Less: Provision for impairment	(27,622)	(28,767)
	177,878	194,153
Represented by:		
Receivables from third parties	177,878	194,153

Movements in the provision for impairment of trade receivables were as follows:

	2024 *HK$'000*	2023 *HK$'000*
Balance as at 1 January	28,767	30,231
Provision/(reversal of provision) for impairment of trade receivables, net (notes 6 and 8)	33	(244)
Amounts written off during the year	(530)	(709)
Exchange adjustment	(648)	(511)
Balance as at 31 December	27,622	28,767

24 Trade and other receivables (Continued)

(c) (Continued)

The Group applied the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The expected credit loss provision rates for trade receivables are based on historical payment profiles and historical credit loss experience, adjusted to reflect, where relevant and appropriate, current and information specific to the debtors, future economic and market conditions and forward-looking information on macroeconomic factors affecting the ability of debtors to settle the receivables that the Group considers are reasonable and appropriate. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The gross carrying amount of the trade receivables and the loss allowance provision analysed by ageing band are set out below.

	2024			2023		
	Gross carrying amount *HK$'000*	Loss allowance provision *HK$'000*	Expected credit loss rate *Percentage*	Gross carrying amount *HK$'000*	Loss allowance provision *HK$'000*	Expected credit loss rate *Percentage*
Not past due	143,962	55	0%	134,251	59	0%
Past due less than 31 days	19,076	–	0%	28,269	11	0%
Past due within 31 to 60 days	8,439	–	0%	15,492	3	0%
Past due within 61 to 90 days	3,108	58	2%	10,792	–	0%
Past due over 90 days	30,915	27,509	89%	34,116	28,694	84%
	205,500	27,622		222,920	28,767	

24 Trade and other receivables (Continued)

(c) (Continued)

The creation of provision for impaired receivables has been included in other operating expenses, net in the consolidated income statement. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The Group does not hold any collateral as security.

(d) The Group's prepayments, deposits and other receivables as at 31 December 2024 included amounts due from associated companies and related companies of HK$3,564,000 (2023: HK$12,313,000) and HK$2,205,000 (2023: HK$2,121,000) respectively.

The amounts due from related companies included the balances due from the substantial shareholders of the Company, CKHH and Cranwood Company Limited ("Cranwood"), and related companies beneficially owned by these substantial shareholders amounted to HK$2,205,000 (2023: HK$2,121,000) in aggregate.

The amounts due from associated companies and related companies represent advance/prepayment to or expenses paid on behalf of these companies. These balances are unsecured, interest-free and repayable on demand.

The Group does not hold any collateral as security.

Movements in the provision for impairment of other receivables were as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Balance as at 1 January	–	13,997
Reversal of provision for impairment in amounts due from associated companies (note 5(a))	–	(14,471)
Exchange adjustment	–	474
Balance as at 31 December	–	–

25 Restricted cash

At 31 December 2024, NT$22,633,000 (approximately HK$5,382,000) (2023: NT$28,934,000 (approximately HK$7,317,000)) was mainly pledged in favour of certain publishing distributors as retainer fee for potential sales return, and banks as security for credit card and advance receipt in Taiwan.

The maximum exposure to credit risk at the reporting date is its carrying value.

26 Cash and cash equivalents

	2024	2023
	HK$'000	*HK$'000*
Cash on hand	**927**	914
Cash at bank	**447,398**	493,637
	448,325	494,551

Cash and cash equivalents are denominated in the following currencies:

	2024	2023
	HK$'000	*HK$'000*
HK$	**40,608**	64,674
US$	**3,168**	3,861
RMB	**74,979**	91,969
NT$	**329,345**	333,807
Others	**225**	240
	448,325	494,551
Maximum exposure to credit risk	**447,398**	493,637

Cash and cash equivalents are considered to be of low credit risk and no provision for credit loss was made at 31 December 2024 and 31 December 2023 in respect of these assets.

27 Trade and other payables

	2024 *HK$'000*	2023 *HK$'000*
Trade payables (note b)	103,713	109,707
Other payables and accruals (note c)	282,132	281,835
Contract liabilities (note e)	102,711	106,962
	488,556	498,504

The contract liabilities primarily relate to the advance consideration received from customers, or the Group has unconditional right to considerations before the goods or services are delivered.

(a) The carrying values of trade and other payables approximate their fair values.

(b) As at 31 December 2024 and 2023, the ageing analyses of the Group's trade payables, based on terms specified in the contracts governing the relevant transactions, were as follows:

	2024 *HK$'000*	2023 *HK$'000*
Current	49,972	52,279
31 – 60 days	8,543	8,653
61 – 90 days	5,541	6,169
Over 90 days	39,657	42,606
	103,713	109,707
Represented by:		
Payables to third parties	103,713	109,707

27 Trade and other payables (Continued)

(c) The Group's other payables and accruals as at 31 December 2024 included amounts due to associated companies and related companies of HK$13,000 (2023: HK$13,000) and HK$58,012,000 (2023: HK$58,389,000) respectively. The amounts due to related companies included the balances due to related companies beneficially owned by the substantial shareholders of the Company, CKHH and Cranwood amounted to HK$58,012,000 (2023: HK$58,389,000) in aggregate.

The amounts due to associated companies represent expenses paid on behalf of the Group by these companies and the amounts due to related companies arose from purchases of goods and services. These balances are unsecured, interest-free and repayable on demand.

(d) The carrying amounts of the Group's trade and other payables, and contract liabilities are denominated in the following currencies:

	2024 ***HK$'000***	2023 *HK$'000*
HK$	**88,589**	80,328
RMB	**40,655**	47,232
NT$	**359,312**	370,944
	488,556	498,504

(e) Contract liabilities of HK$106,962,000 included in the balance as at 1 January 2024 were recognised as revenue during the year ended 31 December 2024.

As the contracts are for periods of one year or less or the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

28 Long-term bank loans

	2024 *HK$'000*	2023 *HK$'000*
Unsecured	3,865,000	3,661,000
Less: Transaction costs arising on bank facility	(7,603)	(12,244)
	3,857,397	3,648,756
Less: Current portion	–	–
Non-current portion	3,857,397	3,648,756
The principal amount of bank loans are repayable:		
In the second year	3,865,000	–
In the third to fifth year	–	3,661,000
Wholly repayable within 5 years	3,865,000	3,661,000

The principal amount of bank loans are denominated in HK$.

These long-term bank loans are interest-bearing at prevailing market rates of Hong Kong Interbank Offered Rate ("HIBOR") plus 0.7% (2023: Same) per annum. Their carrying amounts approximate their fair values.

29 Pension assets and obligations

The Group operates certain defined benefit pension plans in Hong Kong and Taiwan. These pension plans are either final salary defined benefit plans or with minimum guaranteed return rate on plan assets. The assets of the funded plans are generally held independently of the Group's assets in separate trustee-administered funds. The Group's major plans are valued by qualified actuaries annually using the projected unit credit method. Defined benefit plans in Hong Kong and Taiwan are valued by Towers Watson Hong Kong Limited and KTMC Actuaries Co., Ltd. respectively.

(a) The pension assets/obligations recognised in the consolidated statement of financial position are determined as follows:

	2024 *HK$'000*	2023 *HK$'000*
Present value of funded obligations (note c)	**47,320**	53,245
Fair value of plan assets (note d)	**(51,916)**	(49,294)
	(4,596)	3,951
Represented by:		
Pension assets	**(5,340)**	(2,849)
Pension obligations	**744**	6,800
	(4,596)	3,951
Remeasurement gain of defined benefit plans recognised in the consolidated statement of comprehensive income ("SOCI") during the year	**(6,428)**	(26)
Cumulative remeasurement gain of defined benefit plans recognised in the SOCI	**(31,055)**	(24,627)

29 Pension assets and obligations (Continued)

(b) The amounts recognised in the consolidated income statement are as follows:

	2024 HK$'000	2023 HK$'000
Current service cost	1,669	2,006
Net interest (income)/cost on net defined benefit (asset)/liability	(14)	1
Others	8	10
Total, included in staff costs (note 13)	1,663	2,017

(c) Movements in present value of the funded obligations in current year are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	53,245	54,913
Exchange adjustment	(2,146)	(162)
Current service cost	1,669	2,006
Interest cost	1,079	1,278
Actuarial (gain)/loss:		
– experience adjustment	(165)	176
– financial assumption changes	(893)	588
– demographic assumption changes	1	(157)
Payment from plan	(4,749)	(4,865)
Payment by entity	(721)	(532)
At 31 December (note a)	47,320	53,245

29 Pension assets and obligations (Continued)

(d) Movements in fair value of the plan assets in current year are as follows:

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	49,294	50,575
Exchange adjustment	(1,761)	(132)
Interest income	1,093	1,277
Return on plan assets, excluding amounts included in interest income	5,371	633
Contribution by employer	2,676	1,816
Payment from plan	(4,749)	(4,865)
Others	(8)	(10)
At 31 December (note a)	51,916	49,294

The estimated contribution by the Group for 2025 will amount to approximately HK$1,179,000.

29 Pension assets and obligations (Continued)

(e) Fair value of the plan assets is analysed as follows:

	2024 *Percentage*	2023 *Percentage*
Equity instruments		
Consumer markets and manufacturing	5%	4%
Energy and utilities	1%	1%
Financial institutions and insurance	6%	6%
Telecommunications and information technology	11%	11%
Others	9%	7%
	32%	29%
Debt instruments		
US Treasury notes	0%	0%
Government and government guaranteed notes	3%	3%
Financial institutions notes	1%	2%
Others	1%	1%
	5%	6%
Cash and cash equivalents	63%	65%
	100%	100%

The debt instruments are analysed by issuers' credit rating as follows:

	2024 *Percentage*	2023 *Percentage*
Aaa/AAA	14%	7%
Aa1/AA+	22%	31%
Aa2/AA	9%	8%
Aa3/AA-	4%	3%
A1/A+	7%	8%
A2/A	6%	4%
Other investment grades	20%	22%
No investment grades	18%	17%
	100%	100%

The fair value of the above equity instruments and debt instruments are determined based on quoted market price.

29 Pension assets and obligations (Continued)

(e) Fair value of the plan assets is analysed as follows (Continued):

The principal actuarial assumptions used are as follows:

	2024	2023
Discount rate	2.0% – 3.1%	1.625% – 3.4%
Rate of salary increases	3.0% – 3.5%	3.0% – 3.5%

There is no immediate requirement for the Group to fund the deficit between the fair value of defined benefit plan assets and the present value of the defined benefit plan obligations disclosed as at 31 December 2024. Contributions to fund the obligations are based upon the recommendations of independent qualified actuaries for each of the Group's pension plans to fully fund the relevant schemes on an ongoing basis. The realisation of the deficit is contingent upon the realisation of the actuarial assumptions made which is dependent upon a number of factors including the market performance of plan assets.

The long-term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership and liability profile, the liquidity requirements of the plans.

The weighted average duration of the defined benefit obligations is 7.7 years.

Expected maturity analysis of undiscounted pension benefits is as follows:

At 31 December 2024	Within next 5 years	Beyond 5 years but within 10 years	Beyond 10 years but within 15 years	Beyond 15 years but within 20 years	Beyond 20 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Pension benefits	19,562	15,962	22,042	10,107	1,800	69,473

29 Pension assets and obligations (Continued)

(f) The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Impact on defined benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 1.7%	Increase by 1.8%
Rate of salary increases	0.25%	Increase by 1.5%	Decrease by 1.5%

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

30 Deferred taxation

(a) Deferred tax assets

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**65,097**	46,965
Exchange adjustment	**(3,785)**	(180)
(Charged)/credited to consolidated income statement (note c)	**(511)**	18,312
At 31 December	**60,801**	65,097
Set-off of deferral tax liabilities pursuant to set-off provision	**(1,647)**	(400)
Net deferred tax assets as at 31 December	**59,154**	64,697

30 Deferred taxation (Continued)

(b) Deferred tax liabilities

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**26,586**	10,199
Exchange adjustment	**(1,218)**	(223)
(Credited)/charged to consolidated income statement (note c)	**(3,706)**	16,610
At 31 December	**21,662**	26,586
Set-off of deferral tax assets pursuant to set-off provision	**(1,647)**	(400)
Net deferred tax liabilities as at 31 December	**20,015**	26,186

(c) Deferred taxation credited to consolidated income statement

	2024 *HK$'000*	2023 *HK$'000*
Deferred tax assets (note a)	**(511)**	18,312
Deferred tax liabilities (note b)	**3,706**	(16,610)
Deferred taxation credited to consolidated income statement (note 10)	**3,195**	1,702

30 Deferred taxation (Continued)

(d) Movements in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the year

Deferred tax assets

	Provisions		Others		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
At 1 January	**46,268**	44,285	**18,829**	2,680	**65,097**	46,965
Exchange adjustment	**(2,755)**	(173)	**(1,030)**	(7)	**(3,785)**	(180)
(Charged)/credited to consolidated income statement	**1,704**	2,156	**(2,215)**	16,156	**(511)**	18,312
At 31 December	**45,217**	46,268	**15,584**	18,829	**60,801**	65,097

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses as at 31 December 2024 of HK$452,463,000 (2023: HK$578,038,000) that can be carried forward against future taxable income. Losses amounting to HK$84,129,000 will be expired from 2025 to 2034, and HK$368,334,000 has no expiry terms.

Deferred tax liabilities

	Unremitted earnings		Others		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
At 1 January	**995**	42	**25,591**	10,157	**26,586**	10,199
Exchange adjustment	**(60)**	17	**(1,158)**	(240)	**(1,218)**	(223)
(Credited)/charged to consolidated income statement	**(872)**	936	**(2,834)**	15,674	**(3,706)**	16,610
At 31 December	**63**	995	**21,599**	25,591	**21,662**	26,586

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income tax relate to the same fiscal authority.

30 Deferred taxation (Continued)

(e) Deferred income tax liabilities of HK$4,893,000 (2023: HK$22,583,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are to be reinvested. Unremitted earnings totalled HK$63,485,000 as at 31 December 2024 (2023: HK$409,646,000).

31 Share capital

Company – Authorised

	Ordinary shares of HK$0.1 each	
	No. of shares	*HK$'000*
At 1 January and 31 December 2023 and 1 January and 31 December 2024	5,000,000,000	500,000

Company – Issued and fully paid

	Ordinary shares of HK$0.1 each	
	No. of shares	*HK$'000*
At 1 January and 31 December 2023 and 1 January and 31 December 2024	3,958,510,558	395,852

32 Own shares held

	No. of shares	*HK$'000*
At 1 January and 31 December 2023 and 1 January and 31 December 2024	3,043,771	6,244

33 Notes to the consolidated statement of cash flows

(a) Reconciliation of loss before taxation to net cash inflow from operations

	2024 HK$'000	2023 HK$'000
Loss before taxation	(236,005)	(197,601)
Interest expenses and borrowing costs on bank loans	222,101	194,660
Bank interest income	(4,044)	(5,271)
Amortisation and depreciation	128,174	141,759
Dividend income from financial assets at FVOCI	(598)	(1,347)
Share of profits less losses of investments accounted for using the equity method	(1,499)	18,910
Provision for impairment of goodwill (notes 5 and 17)	–	7,504
Reversal of provision for impairment in amounts due from associated companies (note 5)	–	(14,471)
Provision/(reversal of provision) for impairment of trade receivables, net	33	(244)
Provision for inventories	13,203	14,480
Write back of other payables, net	(4,102)	(8,180)
Gain on disposal of fixed assets	(236)	(101)
Gain on termination of lease agreement	–	(10)
Fair value loss on revaluation of investment properties (note 16)	1,484	1,820
Adjusted operating profit before working capital changes	118,511	151,908
Increase in long-term receivables	(958)	(879)
Increase in inventories	(10,297)	(15,176)
Decrease in trade and other receivables	18,798	17,853
Decrease in trade and other payables	(5,080)	(28,752)
Decrease in pension obligations, net	(2,119)	(361)
Exchange adjustment	3,463	2,136
Net cash inflow from operations	122,318	126,729

33 Notes to the consolidated statement of cash flows (Continued)

(b) Analysis of changes in financing during the year

	2024 *HK$'000*	2023 *HK$'000*
Bank loans		
At 1 January	3,661,000	3,527,000
New bank loans	249,000	3,768,000
Loan repayments	(45,000)	(3,634,000)
	204,000	134,000
At 31 December	3,865,000	3,661,000

	2024 *HK$'000*	2023 *HK$'000*
Lease liabilities		
At 1 January	90,748	19,407
New leases entered into during the year	13,154	97,544
Principal elements of lease payments	(21,512)	(24,389)
Lease modification	–	(1,410)
	(8,358)	71,745
Exchange adjustment	(4,841)	(404)
At 31 December	77,549	90,748

34 Pledge of assets

Save as disclosed in note 25, the Group had no pledge of assets as at 31 December 2024 (2023: Nil).

35 Commitments

(a) Capital commitments

At 31 December 2024, the Group had no significant capital commitments (2023: Same).

(b) Commitments under operating leases

At 31 December 2024, the Group had future aggregate minimum lease receivables under non-cancellable operating leases of investment properties as follows:

	2024	2023
	HK$'000	*HK$'000*
No later than one year	**944**	751
Later than one year and no later than two years	**1,219**	1,218
Later than two years and no later than three years	**1,265**	1,273
Later than three years and no later than four years	**1,296**	1,301
Later than four years and no later than five years	**1,331**	1,333
Later than five years	**1,177**	2,579
	7,232	8,455

36 Related party transactions

A summary of significant related party transactions, in addition to those disclosed in notes 24 and 27 to the consolidated financial statements, is set out below:

(a) Sales of goods and services

	2024 *HK$'000*	2023 *HK$'000*
Provision of services to		
– Associated companies	223	228

All the transactions with related parties were entered into in accordance with terms agreed by the relevant parties.

Year-end balances due from these related companies arising from sales of goods and services are shown in note 24(d).

(b) Purchase of goods and services

	2024 *HK$'000*	2023 *HK$'000*
Purchase of services payable to		
– Non-controlling interests of a subsidiary and their subsidiaries	588	617
Service fees payable to		
– CKHH and its subsidiaries	3,145	3,164

36 Related party transactions (Continued)

(b) Purchase of goods and services (Continued)

In July 2023, the Company had entered into a new facility agreement with nine independent financial institutions for the term and revolving loan facilities amounting to HK$4,500 million. A substantial shareholder of the Company granted guarantee to the Company at a guarantee fee equivalent to 0.5% per annum for aggregate principal amount outstanding under this loan facility.

During the year ended 31 December 2024, guarantee fee amounted to approximately HK$18,690,000 (2023: HK$17,488,000) was paid by the Company to the substantial shareholder.

All the transactions with related parties were entered into in accordance with terms agreed by the relevant parties.

Year-end balances due to these related companies arising from purchase of goods and services are shown in note 27(c).

(c) Key management compensation

Management considers remuneration to all key management of the Group has already been disclosed in note 39(a).

37 Subsequent events

There is no subsequent event after the reporting period which has material impact to the consolidated financial statements of the Group.

38 Statement of financial position of the Company

(a) Statement of financial position of the Company

	Note	2024 *HK$'000*	2023 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries	c	875,270	935,514
A financial asset at fair value through other comprehensive income	d	3,228	5,494
		878,498	941,008
Current assets			
Amounts due from subsidiaries	c	1,217,630	1,313,648
Other receivables	e	2,296	2,244
Cash and cash equivalents	f	26,839	30,287
		1,246,765	1,346,179
Current liabilities			
Amounts due to subsidiaries	c	582,446	648,289
Other payables	g	1,282	1,861
		583,728	650,150
Net current assets		663,037	696,029
Total assets less current liabilities		1,541,535	1,637,037
Non-current liability			
Long-term bank loans	h	3,857,397	3,648,756
Net liabilities		(2,315,862)	(2,011,719)

38 Statement of financial position of the Company (Continued)

(a) Statement of financial position of the Company (Continued)

	Note	2024 HK$'000	2023 HK$'000
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	31	**395,852**	395,852
Deficits	b	**(2,705,470)**	(2,401,327)
Own shares held	32	**(6,244)**	(6,244)
Total deficit		**(2,315,862)**	(2,011,719)

Yeung Kwok Mung
Director

38 Statement of financial position of the Company (Continued)

(b) Movement of reserve of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Fair value through other comprehensive income reserve HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2023	4,218,951	23,565	(91,894)	776	(6,178,475)	(2,027,077)
Loss for the year	–	–	–	–	(346,640)	(346,640)
Revaluation deficit of a financial asset at FVOCI	–	–	(27,610)	–	–	(27,610)
At 31 December 2023	4,218,951	23,565	(119,504)	776	(6,525,115)	(2,401,327)
At 1 January 2024	4,218,951	23,565	(119,504)	776	(6,525,115)	(2,401,327)
Loss for the year	–	–	–	–	(301,877)	(301,877)
Revaluation deficit of a financial asset at FVOCI	–	–	(2,266)	–	–	(2,266)
At 31 December 2024	4,218,951	23,565	(121,770)	776	(6,826,992)	(2,705,470)

The loss of the Company is HK$301,877,000 (2023: HK$346,640,000) and is included in determining the loss attributable to equity holders of the Company in the consolidated income statement.

As at 31 December 2024, the Company has no distributable reserves as calculated under the Companies Law of the Cayman Islands (2023: Nil).

38 Statement of financial position of the Company (Continued)

(c) Interests in subsidiaries

	2024 *HK$'000*	2023 *HK$'000*
Investments at cost – unlisted shares	2,259,451	2,259,451
Less: Provision for impairment	(1,384,181)	(1,323,937)
	875,270	935,514

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand except HK$515,435,000 (2023: HK$529,092,000) bearing the effective interest rate of 0.79% (2023: 0.66%) per annum for the year ended 31 December 2024.

The carrying values of the amounts due from and to subsidiaries approximate their fair values.

The list of the principal subsidiaries of the Company at 31 December 2024 is set out on pages 185 to 189.

(d) A financial asset at fair value through other comprehensive income

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	5,494	33,104
Net revaluation deficit	(2,266)	(27,610)
At 31 December	3,228	5,494
Less: Non-current portion	(3,228)	(5,494)
Current portion	–	–

The Company's financial asset at FVOCI includes listed equity security.

The Company's financial asset at FVOCI is denominated in HK$.

As at 31 December 2024, the fair value of that financial asset at FVOCI was arrived by reference to the quoted price in active market for identical asset (Level 1).

38 Statement of financial position of the Company (Continued)

(e) Other receivables

(i) The carrying values of the Company's other receivables approximate their fair values.

(ii) The carrying amounts of the Company's other receivables are denominated in HK$.

(f) Cash and cash equivalents

	2024	2023
	HK$'000	*HK$'000*
Cash at bank	**26,839**	30,287

Cash and cash equivalents are denominated in the following currencies:

	2024	2023
	HK$'000	*HK$'000*
HK$	**26,484**	29,930
US$	**355**	357
	26,839	30,287
Maximum exposure to credit risk	**26,839**	30,287

(g) Other payables

(i) The carrying values of the Company's other payables approximate their fair values.

(ii) The carrying amounts of the Company's other payables are denominated in HK$.

38 Statement of financial position of the Company (Continued)

(h) Long-term bank loans

	2024 *HK$'000*	2023 *HK$'000*
Unsecured	3,865,000	3,661,000
Less: Transaction costs arising on bank facility	(7,603)	(12,244)
	3,857,397	3,648,756
Less: Current portion	–	–
Non-current portion	3,857,397	3,648,756
The principal amount of bank loans are repayable:		
In the second year	3,865,000	–
In the third to fifth year	–	3,661,000
Wholly repayable within 5 years	3,865,000	3,661,000

The principal amount of bank loans are denominated in HK$.

These long-term bank loans are interest-bearing at prevailing market rates of HIBOR plus 0.7% (2023: Same) per annum. Their carrying amounts approximate their fair values.

38 Statement of financial position of the Company (Continued)

(i) Financial instruments by category

	Financial assets at amortised cost	
	2024	2023
	HK$'000	*HK$'000*
Assets as per statement of financial position		
Cash and cash equivalents (note f)	**26,839**	30,287
Other receivables excluding prepayments	**1,689**	1,604
Amounts due from subsidiaries	**1,217,630**	1,313,648
	1,246,158	1,345,539

	Other financial liabilities	
	2024	2023
	HK$'000	*HK$'000*
Liabilities as per statement of financial position		
Long-term bank loans (note h)	**3,857,397**	3,648,756
Other payables (note g)	**1,282**	1,861
Amounts due to subsidiaries	**582,446**	648,289
	4,441,125	4,298,906

38 Statement of financial position of the Company (Continued)

(j) Financial risk factor

Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	HK$'000	*HK$'000*	*HK$'000*
At 31 December 2024			
Bank borrowings, including interest payable	**204,608**	**3,977,995**	**–**
Amounts due to subsidiaries	**582,446**	**–**	**–**
Other payables	**723**	**–**	**–**
At 31 December 2023			
Bank borrowings, including interest payable	220,288	218,492	3,781,406
Amounts due to subsidiaries	648,289	–	–
Other payables	66	–	–

39 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of each director for the year ended 31 December 2024 is set out below:

	Fees HK$'000	Basic salaries, housing allowances, other allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Contributions to retirement benefit schemes HK$'000	Total HK$'000
Executive director					
Mr. Yeung Kwok Mung	50	6,790	–	438	7,278
Independent non-executive directors and members of Audit Committee					
Dr. Fong Chi Wai, Alex	100	–	–	–	100
Mr. James Cheng-Jee Sha	100	–	–	–	100
Mr. Chan Tze Leung	100	–	–	–	100
Non-executive director and member of Audit Committee					
Mrs. Lee Pui Ling, Angelina	100	–	–	–	100
Non-executive directors					
Mr. Frank John Sixt	50	–	–	–	50
Ms. Chang Pui Vee, Debbie	50	–	–	–	50
Total	550	6,790	–	438	7,778

39 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

The remuneration of each director for the year ended 31 December 2023 is set out below:

	Fees *HK$'000*	Basic salaries, housing allowances, other allowances and benefits in kind *HK$'000*	Discretionary bonuses *HK$'000*	Contributions to retirement benefit schemes *HK$'000*	Total *HK$'000*
Executive director					
Mr. Yeung Kwok Mung	50	6,622	–	421	7,093
Independent non-executive directors and members of Audit Committee					
Dr. Fong Chi Wai, Alex	100	–	–	–	100
Mr. James Cheng-Jee Sha	100	–	–	–	100
Mr. Chan Tze Leung	100	–	–	–	100
Non-executive director and member of Audit Committee					
Mrs. Lee Pui Ling, Angelina	100	–	–	–	100
Non-executive directors					
Mr. Frank John Sixt	50	–	–	–	50
Ms. Chang Pui Vee, Debbie	50	–	–	–	50
Total	550	6,622	–	421	7,593

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for the loss of office (2023: Nil).

There has been no arrangement under which a director has waived or agreed to waive any emoluments for the year ended 31 December 2024 (2023: Nil).

39 Benefits and interests of directors (Continued)

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

No significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

40 Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 10 March 2025.

Principal Subsidiaries and Associated Companies

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued and fully paid up share capital/ registered capital	Effective interest held
	tom.com enterprises Limited	British Virgin Islands ("BVI"), limited liability company	Holding of the trademarks and domain name	1 ordinary share of US$1 each	100%
	TOM Group International Limited	Hong Kong, limited liability company	Management of strategic investments of the Group in Greater China	Ordinary shares HK$10	100%
	E-Commerce Group				
#©	Shanghai Ule Network Technology Co., Ltd.*	Mainland China, limited liability company	Owning and operating a mobile and Internet-based e-marketplace in Mainland China	Registered capital US$116,666,700	20.15%
	TOM E-Commerce Limited	BVI, limited liability company	Investment holding in Mainland China	1 ordinary share of US$1 each	90.002%
#	Ule Holdings Limited	BVI, limited liability company	Investment holding	1,953,484,744 ordinary shares of US$0.00001 each	20.15%
#	Ule International Co., Limited	Hong Kong, limited liability company	Investment holding	Ordinary shares HK$2	20.15%
#※	China Post (Anhui) Network Technology Co., Ltd.*	Mainland China, limited liability company	Owning and operating a website of www.ulenp.com, which is an e-marketplace specifically for agricultural products in Mainland China	Registered capital RMB15,000,000	20.15%
#※	Ule Jin Fu (Jiangsu) Technology Co., Ltd.*	Mainland China, limited liability company	Provision of information technology service in Mainland China	Registered capital RMB30,000,000	20.15%

Principal Subsidiaries and Associated Companies

	Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued and fully paid up share capital/ registered capital	Effective interest held
	Mobile Internet Group				
@	Beijing Lei Ting Wan Jun Network Technology Limited*	Mainland China, limited liability company	Provision of e-mail services, Internet content services, online advertising services and telecom value-added services in Mainland China	Registered capital RMB100,000,000	90.002%
©	ECLink Electronic Network Systems (Shenzhen) Co., Ltd.*	Mainland China, limited liability company	Software, electronics, computer network system development and provision of enterprise solutions in Mainland China	Registered capital US$3,000,000	100%
	TOM Online Inc.	Cayman Islands, limited liability company	Investment holding	4,259,654,528 ordinary shares of HK$0.01 each	90.002%
	TOM Online Payment Investments Company Limited	BVI, limited liability company	Investment holding	1 ordinary share of US$1 each	90.002%
	TOM Online Payment Investments 2 Limited	Hong Kong, limited liability company	Investment holding	Ordinary share HK$40,000,000	90.002%
	Social Network Group				
	Pixnet Digital Media Corporation Limited*	Taiwan, limited liability company	Supply service of online community and social networking websites in Taiwan	6,324,451 ordinary shares of NT$10 each	82.03%

Principal Subsidiaries and Associated Companies

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued and fully paid up share capital/ registered capital	Effective interest held
Publishing Group				
Bookworm Club Co., Ltd.*	Taiwan, limited liability company	Distribution and retailing of books and magazines in Taiwan	2,015,000 ordinary shares of NT$10 each	82.87%
Cite (H.K.) Publishing Group Limited	Hong Kong, limited liability company	Retailing and distribution of books and magazines in Hong Kong	Ordinary shares HK$4,200,000	69.07%
Cite (Malaysia) SDN. BHD.	Malaysia, limited liability company	Publishing and distribution of books and magazines in Malaysia	400,000 ordinary shares of RM1 each	73.14%
Cité Publishing Holding Limited	BVI, limited liability company	Investment holding in Taiwan	4,979,402 ordinary shares of US$0.01 each	82.89%
Cité Publishing Limited*	Taiwan, limited liability company	Publishing of books and magazines in Taiwan	85,289,205 ordinary shares of NT$10 each	82.87%
Home Media Group Ltd.	Cayman Islands, limited liability company	Investment holding, advertising sales and distribution of publications in Taiwan	986,922,602 ordinary shares of US$0.00001 each	82.87%
Nong Nong Magazine Co., Ltd.*	Taiwan, limited liability company	Publishing and distribution of magazines and advertising sales in Taiwan	2,500,000 ordinary shares of NT$10 each	66.30%
Advertising Group				
@ Guangdong Yangcheng Advertising Company Limited*	Mainland China, limited liability company	Advertising services, event management and media buying business in Mainland China	Registered capital RMB5,000,000	80%
YCP Advertising Limited	Hong Kong, limited liability company	Advertising services, event management and media buying business in Mainland China and Hong Kong	Ordinary shares HK$10	80%

\# Associated company
@ Domestic Companies in The People's Republic of China ("PRC") under Contractual Arrangements (Note)
※ Domestic Company registered under PRC law
◎ Wholly owned foreign enterprise (WOFE) registered under PRC law
* For identification purposes only

Principal Subsidiaries and Associated Companies

Note:

As mentioned in note 1(b) to the consolidated financial statements, the Company regards the PRC Domestic Companies under the Contractual Arrangements as subsidiaries of the Group under HKFRSs.

The Contractual Agreements principally comprise of (i) Option Agreements, (ii) Loan Agreements, (iii) Exclusive Technical and Consultancy Services Agreements, (iv) Equity Pledge Agreements, (v) Business Operation Agreements and (vi) Irrevocable Power of Attorneys.

Key provisions of the principal Contractual Agreements are as follows:

(i) Option Agreements – Certain subsidiaries of the Company ("Intermediate Holding Companies") entered into option agreements with the PRC Domestic Companies and the PRC nationals under which the relevant PRC nationals have granted exclusive options to the relevant Intermediate Holding Companies to purchase all or part of the relevant PRC nationals' interests in the relevant PRC Domestic Companies concerned exercisable at the discretion of the relevant Intermediate Holding Companies to the extent permitted by PRC laws at the purchase price as set out in the relevant option agreements such as an amount equivalent to the registered capital contributed to the relevant PRC Domestic Companies.

(ii) Loan Agreements – Pursuant to the loan agreements between the relevant Intermediate Holding Companies and the relevant PRC nationals, the relevant Intermediate Holding Companies have provided long-term loans to the relevant PRC nationals to be invested exclusively in the relevant PRC Domestic Companies. The loans will become due and payable only in the form of transfer of all of the relevant PRC nationals' equity interests in the relevant PRC Domestic Companies to the relevant Intermediate Holding Companies or their nominee(s), including in the circumstances when (i) current restrictions on foreign ownership in the PRC Domestic Companies are lifted under the PRC laws; (ii) the relevant PRC nationals resign from or are removed by the relevant Intermediate Holding Companies or its affiliated entities from office; (iii) the relevant PRC nationals commit a criminal offence; (iv) any third party raises against the relevant PRC nationals a claim over RMB500,000; or (v) the relevant PRC nationals die or become incapacitated.

(iii) Exclusive Technical and Consultancy Services Agreements – The PRC Domestic Companies have entered into exclusive technical and consultancy services agreements with certain subsidiaries of the Company ("Service Providers") pursuant to which the relevant PRC Domestic Companies agreed to engage the relevant Service Providers to provide certain technical and consultancy services to the relevant PRC Domestic Companies on an exclusive basis (unless otherwise allowed under such contract) in exchange for service fees, which amount to substantially all of the net profit of the PRC Domestic Companies.

Principal Subsidiaries and Associated Companies

(iv) Equity Pledge Agreements – Pursuant to the equity pledge agreements between the relevant Service Providers and the relevant PRC nationals, the relevant PRC nationals have pledged to the relevant Service Providers all their respective interest in the relevant PRC Domestic Companies for the performance of the payment obligations of such PRC Domestic Companies under the relevant Exclusive Technical and Consultancy Services Agreements with such Service Providers mentioned in paragraph (iii) above. No consideration is payable under each of the equity pledge agreements.

(v) Business Operation Agreements – Pursuant to the business operation agreements between the relevant PRC Domestic Companies, the relevant Service Providers and the relevant PRC nationals, the relevant Service Providers have agreed to act as guarantors for any obligations undertaken by the relevant PRC Domestic Companies and, in return, the relevant PRC Domestic Companies have agreed to pledge all of their respective accounts receivables and assets in favour of the relevant Service Providers. In addition, the relevant PRC Domestic Companies and the relevant PRC nationals have agreed to appoint individuals designated by the Service Providers to the management team of the relevant PRC Domestic Companies and to refrain from, unless with the prior written consent of the relevant Service Providers or their nominees, taking certain actions that may materially affect the operations of the relevant PRC Domestic Companies, including lending or assuming any obligation from any their party or sell or transfer any assets to any their parties. No consideration is payable under each of the business operations agreements.

(vi) Irrevocable Power of Attorneys – Pursuant to the relevant irrevocable Power of Attorneys, the relevant PRC nationals have granted the authorisations to a representative designated by the Company to exercise all of the shareholders' right with respect to the shareholders' interests in the PRC Domestic Companies.

The above table lists out the principal subsidiaries and associated companies of the Group as at 31 December 2024 which, in the opinion of the directors of the Company, either principally affect the results and net liabilities of the Group or provide potential opportunities to the business development of the Group. To give a complete list of the particulars of all the subsidiaries and associated companies of the Group would, in the opinion of the directors of the Company, be of excessive length.

Except for tom.com enterprises Limited, TOM Group International Limited and TOM Online Inc. which are directly held by the Company, the interests in the remaining subsidiaries and associated companies are held indirectly.

Definitions

"Associate(s)"	has the meaning ascribed to it in the Listing Rules
"B2B"	means business-to-business
"B2C"	means business-to-consumer
"Board"	means the board of Directors
"China Post"	means China Post Group Corporation Limited*, a state-owned enterprise of the People's Republic of China, and its subsidiaries
"China Post HK"	means Telpo Philatelic Company Limited, a company incorporated under the laws of Hong Kong and a subsidiary of China Post
"CKH"	means Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose listing status on the Stock Exchange was replaced by CKHH on 18 March 2015
"CKHH"	means CK Hutchison Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange on 18 March 2015 (Stock Code: 0001)
"Company" or "TOM"	means TOM Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2383)
"Corporate Governance Code"	means the Corporate Governance Code sets out in Appendix C1 to the Listing Rules
"Director(s)"	means the director(s) of the Company
"ESG"	means environmental, social and governance
"Group" or "TOM Group"	means the Company and its subsidiaries
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China

Definitions

"HWL"	means Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, which was listed on the Stock Exchange until it was privatised in June 2015
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	means the main board of the Stock Exchange
"Mainland China"	means for the purpose of the segment differentiation of this report, the People's Republic of China, excluding coverage of Hong Kong, Macau Special Administrative Region and Taiwan region
"Media Business"	means two reportable operating segments of Publishing Group and Advertising Group
"MioTech"	means Mioying Holdings Inc., a company incorporated in the Cayman Islands with limited liability
"Model Code"	means Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"SFO"	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Technology Platform and Investments"	means three reportable operating segments of E-Commerce Group, Social Network Group and Mobile Internet Group; and investments in Fintech and Advanced Data Analytics sectors
"Ule" or "Ule Group"	means Ule Holdings Limited or Ule Holdings Limited and its subsidiaries, a material associate of the Company which undertakes an e-commerce/supply chain business in Mainland China and from time to time raises funds for its growing business
"WeLab"	means WeLab Holdings Limited, a BVI business company incorporated in the British Virgin Islands with limited liability

* *For identification purposes only*

Information for Shareholders

Listing	The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited
Stock Code	The Stock Exchange of Hong Kong Limited: 2383
Public Float Capitalisation	Approximately HK$497.5 million (approximately 25.14% of the issued share capital of the Company) as at 31 December 2024
Financial Calendar	2024 Final Results Announcement: 10 March 2025
Registered Office	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Head Office and Principal Place of Business	Rooms 1601-05, 16/F., China Resources Building 26 Harbour Road, Wanchai, Hong Kong Telephone: +852 2121 7838 Facsimile: +852 2186 7711
Principal Share Registrar	Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Branch Share Registrar	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17/F., Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong Telephone: +852 2862 8628 Facsimile: +852 2865 0990
Investor Information	Corporate press releases, financial reports and other investor information on the Group are available on the website of the Company
Investor Relations Contact	Please direct enquiries to: Group Corporate Communications & Investor Relations Rooms 1601-05, 16/F., China Resources Building 26 Harbour Road, Wanchai, Hong Kong Telephone: +852 2121 7838 Facsimile: +852 2186 7711 Email: ir@tomgroup.com
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