MOG Digitech Holdings Limited

馬可數字科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1942

ANNUAL REPORT

2024

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Deng Zhihua *(Chairman and Co-CEO)*
Mr. Chen Yongzhong *(Co-CEO)*
(appointed on 12 July 2024)
Mr. Mo Mingdong
(appointed on 14 February 2025)
Ms. Tang Tsz Yuet
Mr. Zhou Yue

Independent Non-Executive Directors

Mr. Yau Tung Shing
Mr. Gao Hongxiang
Ms. Chen Wen (appointed on 5 August 2024)
Ms. Jiao Jie (resigned on 5 August 2024)

AUDIT COMMITTEE

Mr. Gao Hongxiang *(Chairman)*
(appointed as chairman on 31 May 2024)
Mr. Yau Tung Shing
(ceased as chairman on 31 May 2024)
Ms. Chen Wen (appointed on 5 August 2024)
Ms. Jiao Jie (resigned on 5 August 2024)

REMUNERATION COMMITTEE

Mr. Gao Hongxiang *(Chairman)*
Mr. Deng Zhihua
Mr. Yau Tung Shing

NOMINATION COMMITTEE

Mr. Deng Zhihua *(Chairman)*
Mr. Yau Tung Shing
Mr. Gao Hongxiang

AUTHORIZED REPRESENTATIVES

Mr. Deng Zhihua
Ms. Tang Tsz Yuet

COMPANY SECRETARY

Mr. Yu Wan Hei

AUDITOR

Suya WWC CPA Limited
Unit 4 of the 27th Floor
Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 201, 2nd Floor
Tower 2, Hengye Plaza
No. 1666 Ziyu Road
Chaoyang New City
Xihu District
Nanchang City
Jiangxi Province
China

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

No. 1-2, 2nd Floor
Jalan Kajang Indah 1
Taman Kajang Indah
Sg Chua, 43000 Kajang
Selangor
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1102, 11/F
29 Austin Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
17th Floor, Menara CIMB
No. 1 Jalan Stesen Sentral 2
Kuala Lumpur Sentral 50470
Kuala Lumpur
Malaysia

Maybank
Ground & Mezzanine Floor
No. 28-30, Jalan Tukang
43000 Kajang
Selangor
Malaysia

STOCK CODE

1942

WEBSITE

http://www.mogglobal.com

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors of MOG Digitech Holdings Limited (the "**Company**"), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 31 December 2024 (the "**Year**").

REVIEW

The Group is principally engaged in digital payment solutions related business, e-commerce and financing services in the People's Republic of China (the "**PRC**"), optical product retail, and franchise and license management in Malaysia.

During the Year, the Group recorded a revenue of approximately RMB1,253.5 million. The revenue was mainly derived from its digital payment solutions related business in the PRC. The Group's loss for the Year was approximately RMB142.5 million and increased by approximately RMB68.1 million primarily due to the non-cash impairment loss on goodwill of approximately RMB37.6 million, intangible assets of approximately RMB55.2 million and investment in an associate of RMB41.8 million.

OUTLOOK

The Group has continued to diversify and expand its mining of digital Renminbi (RMB) application scenarios, providing digital payment platforms and support services. At the same time, as one of the largest retailers of optical products in Malaysia, the Group will remain its focus on the business in Malaysia. Looking forward, the Group will keep proactive to seek business opportunities that will contribute and sustain the Group's future development on generating better return to the shareholders of the Company.

APPRECIATION

Finally, on behalf of the Board, I would like to express our sincere thanks to our important customers, shareholders, business partners, suppliers and other stakeholders for their trust and support to the Group. The Board would also like to express our sincere thanks to the Group's management team and staff for their hard work, loyalty and dedication.

Deng Zhihua
Chairman of the Board

31 March 2025

Management Discussion and Analysis

BUSINESS REVIEW

The Company and its subsidiaries (collectively referred to the "**Group**") is principally engaged in digital payment solutions related business, e-commerce and financing services in the People's Republic of China (the "**PRC**"), optical product retail, and franchise and license management in Malaysia.

THE DIGITAL PAYMENT SOLUTIONS RELATED BUSINESS

The Group provides digital hardware procurement and sales trading service. The Group evaluates customer needs and their existing information technology infrastructure, and provides customers with information technology infrastructure solution services by recommending the digital hardware and/or software required for their information technology systems. The Group configures and purchases digital hardware and/or software according to customer requirements and specifications, and then integrates such digital hardware and/or software into the customer's information technology system.

THE E-COMMERCE BUSINESS

The Group works in the field of digital rights and interests for many years with a number of technological development achievements lead in the PRC. The subsidiary is an internet information technology platform provider dedicated to the research in the field of scene ecological digitalization.

THE FINANCING SERVICES BUSINESS

The Group provides financing services to corporate clients which seeking funding to settle accounts receivable resulting from the acquisition of digital hardware from the Group. For the year ended 31 December 2024 (the "**Reporting Period**"), the Group establishes funding arrangements with an independent third party (the "**Financier**") that provides a credit facility. Under the agreement between the Financier and the Group, the Financier entrusts the Group to originate and grant financing loans to specified customers. The Group retains the right to assign the receivables to the Financier, who has conditionally agreed to accept such accounts receivable in the event of default on the financing loan. This arrangement allows the Financier to assume ownership, along with the associated rights and benefits of the accounts receivable, thereby enhancing the Group's ability to mitigate and manage credit risk exposure.

Management Discussion and Analysis

The loan approval process involves a thorough know-your-customer assessment, during which the management of the subsidiaries diligently verifies all obtained information, including corporate and business background details. Ultimately, the decision to approve the loan falls under the responsibility of the director(s) of the subsidiaries. The finance team of the subsidiary keeps a record of the interest receivables and collaborates with the operations team to issue reminders and alerts for repayment. During the monitoring stage, such the finance team checks the status of each receivable on a monthly basis and reports to the director of the subsidiary if necessary. The Group's policy requires regular review of each receivable's outstanding balance, at least annually or more frequently if necessary, due to specific circumstances or market conditions. Assessment of impairment allowances on individual accounts is done on a case by-case basis. An independent professional valuer will be engaged to review and assess this evaluation. Generally, impairment allowances are recognised when there are default indicators on loan principal or interest receivables.

This credit facility was matured at the end of 2024. Therefore, the Group utilises its internal resources to provide these services in 2025.

THE MONEY LENDING BUSINESS

On 8 July 2024, the Group successfully acquired a Hong Kong company with a money lender license, in compliance with the Money Lenders Ordinance and Money Lenders Regulations. This acquisition enables the Group to conduct money lending operations within Hong Kong. In November 2024, the Group completed its first loan transaction, which amounted to HK$15 million. This loan was secured by a personal guarantee and pledged assets.

The Group has formulated comprehensive strategies to expand its money lending business to leverage growth opportunities, enhance market share, and strengthen its brand presence. The Group plans to broaden its loan portfolio and diversifying its customer base by offering a wider array of mortgage, corporate, and personal loans in 2025.

THE OPTICAL PRODUCT RETAIL, AND FRANCHISE AND LICENSE MANAGEMENT BUSINESS

The Group is offering a wide range of optical products which generally includes lenses, frames, contact lenses and sunglasses. During the Reporting Period, the Group continues its asset-light and service-oriented business strategy and disposed 13 subsidiaries. The Group has entered into franchising agreements with these disposed subsidiaries pursuant to which these disposed subsidiaries as franchisees shall bear all operational costs, including but not limited to staff costs and rental expenses, while the Group shall retain its management over the retail outlets. Further, the Group shall receive franchise management fees from these disposed subsidiaries based on each of its revenue performance. Under these circumstances, the Group can mitigate the risk by combining the upside potential with business ownership with reduced risk of uncertainties. The Group will continues its asset-light and service-oriented business strategy in 2025.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue and gross profit

During the Reporting Period, the Group recorded a revenue of approximately RMB1,253.5 million (Corresponding Period: approximately RMB1,419.8 million). The revenue of each business segment is shown in note 4 to the consolidated financial statements. The Group also recorded a gross profit of approximately RMB157.8 million (Corresponding Period: approximately RMB205.7 million) and a gross profit margin of approximately 12.6% (Corresponding Period: approximately 14.5%), representing a decrease of approximately 23.3% as compared to that of the Corresponding Period. The decrease of the gross profit margin was mainly due to the lower gross profit margin attributed from the digital payment solutions related business in the PRC compared with the Malaysia optical business and consequently averaged down the overall gross profit margin of the Group.

Other income

The Group recorded an other income of approximately RMB8.1 million during the Reporting Period (Corresponding Period: approximately RMB11.3 million). The decrease was mainly contributed by the loan interest income from approximately RMB3.7 million in the Corresponding Period to approximately RMB435,000 in the Reporting Period and the service income from approximately RMB2.1 million in the Corresponding Period to approximately RMB48,000 in the Reporting Period.

Other gains

The Group's other gains was approximately RMB7.5 million during the Reporting Period (Corresponding Period: approximately RMB0.1 million). The increase was mainly due to there was a disposal gain of an internally generated trademark to an independent third party in Malaysia during the Reporting Period.

Selling and distribution costs

The Group's selling and distribution costs was approximately RMB107.4 million during the Reporting Period (Corresponding Period: approximately RMB133.4 million). As compared to the Corresponding Period, the Group's selling and distribution costs was decreased by approximately RMB26.0 million, primarily due to the decrease in selling and distribution expenses of the digital payment solutions related business in the PRC.

Management Discussion and Analysis

Administrative expenses

The Group's administrative expenses was approximately RMB72.5 million during the Reporting Period (Corresponding Period: approximately RMB51.0 million). As compared to the Corresponding Period, the Group's administrative expenses was increased by approximately RMB21.5 million, primarily due to the increase in legal and professional fees, depreciation of property, plant and equipment and advertising expense for the Group's E-commerce operation in the PRC.

Impairment on goodwill

During the Reporting Period, the Group experienced an impairment loss on goodwill of approximately RMB37.6 million (Corresponding Period: RMB88.3 million). The impairment loss on goodwill was mainly arising from Positive Oasis Limited and its subsidiaries (the "**Positive Oasis Group**") and Create Tune Development Limited and its subsidiaries (the "**Create Tune Group**"). The Positive Oasis Group's cash-generating unit suffered an impairment loss of approximately RMB28.0 million. This was a result of the economic downturn and rising credit risks in the PRC since the second half of 2023, which led to the Positive Oasis Group lending less than it did in 2024. Consequently, the Positive Oasis Group failed to meet its revenue and operating profit targets for the Reporting Period. On the other hand, the Create Tune Group's cash-generating unit had an impairment loss of approximately RMB9.6 million. The Group had to further reduce its operations due to the significant increase in operating costs, which also resulted in the Create Tune Group failing to meet its revenue and operating profit targets for the Reporting Period.

Impairment on intangible assets

During the Reporting Period, the Group experienced an impairment on intangible assets of approximately RMB55.2 million (Corresponding Period: Nil). The impairment on intangible assets is associated with an intangible assets linked to a credit facility contract provided by third parties to support the business operations of the Positive Oasis Group which was expired on 31 December 2024.

Finance costs

The Group's finance costs was approximately RMB4.3 million during the Reporting Period (Corresponding Period: approximately RMB4.4 million). The Group's finance costs has no significant changes.

Income tax expense

The Group recorded an income tax credit of approximately RMB8.3 million for the Reporting Period (Corresponding Period: income tax expense of approximately RMB4.8 million) which was mainly due to the reversal of deferred tax liabilities of approximately RMB16.2 million arising from the impairment of intangible assets.

Management Discussion and Analysis

Loss for the year

The Group's loss for the year was approximately RMB142.5 million during the Reporting Period (Corresponding Period: approximately RMB74.4 million). The Group's loss for the year was increased by approximately RMB68.1 million primarily due to the non-cash impairment loss on goodwill, intangible assets and investment in an associate.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial resources

The Group generally finances its operations with internally generated funds, facilities and fund raised from issuing shares. As at 31 December 2024, the Group's bank balances and cash (excluding fixed deposits with licensed banks) amounted to approximately RMB54.2 million (31 December 2023: approximately RMB79.0 million). As at 31 December 2024, approximately 13.9% (31 December 2023: approximately 42.4%) was denominated in RMB, approximately 64.9% (31 December 2023: approximately 52.6%) was denominated in Malaysian Ringgit ("**RM**"), approximately 21.1% (31 December 2023: approximately 0.5%) was denominated in Hong Kong dollar ("**HKD**") and approximately 0.1% (31 December 2023: approximately 4.5%) was denominated in United States dollar ("**USD**").

Banking facilities and lease facilities

As at 31 December 2024, the Group had interest-bearing borrowings of approximately RMB17.3 million (31 December 2023: approximately RMB12.0 million). The Group's interest-bearing borrowings carried weighted average effective interest rates of approximately 3.94% (31 December 2023: approximately 4.12%) per annum. The carrying amounts of the interest-bearing borrowings was denominated in RMB (31 December 2023: denominated in RMB).

The Group's lease liabilities primarily represented payment obligations under the tenancy agreements the Group had entered into in respect of outlets for its self-owned retail stores, leasehold improvements and motor vehicles under hire purchase. The total lease liabilities as at 31 December 2024 was approximately RMB25.8 million (31 December 2023: approximately RMB26.8 million), all denominated in RM (31 December 2023: denominated in RM). The weighted average effective interest rate for the lease liabilities of the Group as at 31 December 2024 was approximately 3.41% (31 December 2023: approximately 3.56%) per annum.

Management Discussion and Analysis

Capital structure

As at 31 December 2024, the Group's total equity and liabilities amounted to approximately RMB624.5 million and approximately RMB149.7 million respectively (31 December 2023: approximately RMB556.4 million and approximately RMB134.2 million respectively).

Gearing ratio

The Group's gearing ratio was approximately 0.01 times (31 December 2023: approximately 0.05 times) and remains low.

Current ratio

The Group's current ratio was approximately 3.82 times and remained steady compared to approximately 3.41 times as at 31 December 2023.

Pledge of assets

As at 31 December 2024, fixed deposits with licensed banks of approximately RMB2.4 million (31 December 2023: approximately RMB2.2 million) are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group as at 31 December 2024.

Capital commitments

The Group did not have any material commitments as at 31 December 2024 (31 December 2023: Nil).

Contingent liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities (31 December 2023: Nil).

Employees and remuneration policies

It is crucial for the Group to attract, motivate and retain qualified employees. The Group's staff costs have been and will continue to be one of the major components affecting its results of operations. For the Reporting Period, the Group incurred staff costs of approximately RMB60.2 million (Corresponding Period: approximately RMB70.8 million), representing a decrease of approximately 14.8% from the Corresponding Period. The decrease was mainly due to the decrease in number of employees. As at 31 December 2024, the Group had a total of 363 employees (31 December 2023: 464 employees) among whom 72 (31 December 2023: 73) were based in PRC, 288 (31 December 2023: 391) were based in Malaysia, 3 (31 December 2023: Nil) were based in Hong Kong.

Foreign currency exposure

Save for certain bank balances were denominated in RM, HKD, Singapore dollar and USD, the Group has minimal exposure to foreign currency risk. During the Reporting Period, the Group operated with most of their transaction denominated in RMB, RM and HKD, there is no significant currency mismatch in its operational cashflow and the Group is not exposed to any significant foreign currency exchange risk in operations. The Group currently does not have a hedging policy in respect of foreign currency transactions, assets and liabilities. The management monitors the foreign currency exposure from time to time and will consider hedging significant foreign currency exposure should the need arise.

Significant investment held

As at 31 December 2024, the Group did not hold any significant investments (31 December 2023: Nil).

Material acquisitions or disposals

Save as disclosed in this annual report, the Group did not have any material acquisition or disposals of subsidiaries or associated companies during the Reporting Period.

DIVIDENDS

The Board does not recommend to declare any final dividend for the Reporting Period (2023: Nil).

EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated 11 December 2024, 27 January 2025 and 12 February 2025. Reference is also made to the circular of the Company dated 7 January 2025, in related to the allotment and issue of 212,121,212 new shares to a subscriber (or its designated nominee(s)). The subscription was completed on 12 February 2025.

Reference is made to the announcement of the Company dated 19 February 2025 in related to the establishing a joint venture named MW Technology Development Limited ("**MW Technology**"), which is owned by the Company and Waton Securities International Limited as to 60% and 40%, respectively. MW Technology is established on 20 February 2025.

Management Discussion and Analysis

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Due to the significant amount that might involve in the digital payment solutions related business, the Group might be subject to a material credit risk. If there is any delay or default in payment in the account receivable from the customer, the Group's profitability, financial condition and results of operations may be materially and adversely affected. However, the Group has implemented measure to mitigate the credit and default risk in relation to the digital payment solutions related business, including but not limited to background check of the prospective customer and shorten credit period to customer.

The Group do not enter into long-term supply agreements with its suppliers, therefore the Group cannot assure the suppliers will continue to supply products on terms acceptable to the Group or that the Group will be able to establish new or extend current supplier relationships to ensure a steady supply in a timely and cost-efficient manner. If the relationships with its major suppliers are terminated, interrupted, or modified in any way adverse to the Group, the Group's business, financial condition and results of operations could be adversely affected.

Further, the Group also do not enter into long term written contract with its customers. The Group sell products to its customers on an order-by-order basis according to the purchase orders placed by the customers from time to time. The customers are not subject to any regular purchase commitment. Without a regular purchase commitment, it is difficult for the Group to make realistic forecast of future order quantities and revenue so as to plan for efficient and optimal resource allocation. There is no guarantee that the Group's customers will continue to place orders with us on a consistent basis in terms of quantities, pricing and time intervals. The Group's profitability, results of operations and financial condition may therefore be affected.

Management Discussion and Analysis

OUTLOOK AND FUTURE PROSPECTS

The management will continue to monitor and implement its business strategies. The following are the Group's business strategies for upcoming 2025:

– Continue to offer customers with a diversified variety of products and series of ancillary services that are conductive to the Group's digital payment solutions related business in the PRC;

– Identify suitable acquisition and/or investment targets, particular to those related to the digital payment solutions related business, for potential business expansion and development that are complementary to the Group's growth strategies;

– Continue to promote recognition of the Group's 11 retail brands and to further develop and market the Group's own brands optical products;

– Enhance the Group's production capabilities with regards to customized lenses; and

– Enhance the Group's information technology systems and enhance its operational efficiency.

Management Discussion and Analysis

USE OF PROCEEDS

The shares of the Company were listed on the Main Board of the Stock Exchange on 15 April 2020 (the "**Listing**") with a total of 500,000,000 offer shares issued based on the final offer price of HKD1.00 per offer share, the aggregate net proceeds, after deducting the related underwriting fee, incentive and estimated expenses paid and payable by the Company in relation to the Listing, received by the Company were approximately HKD91.1 million or approximately RM50.3 million (based on exchange rate of RM0.5517:HKD1). There was no change in the intended use of net proceeds as previously disclosed in the prospectus of the Company dated 28 March 2020 (the "**Prospectus**"). As at 31 December 2024, the net proceeds had been utilised as follows:

	Intended use of net proceeds RM million	Amount unutilised as at 31 December 2023 RM million	Amount utilised during the year ended 31 December 2024 RM million	Amount unutilised as at 31 December 2024 RM million	Expected time frame for utilisation (Note 2)
Set up 36 self-owned retail stores (Note 1)	28.1	22.1	–	22.1	31 March 2026
Upgrade and renovate 25 self-owned retail stores	5.1	2.6	1.9	0.7	31 March 2026
Promote recognition of the Group's 11 retail brands and to further market the Group's Own Brands optical products	4.7	1.2	1.2	–	31 March 2026
Develop optical lab for the production of lenses	5.5	5.5	–	5.5	31 March 2026
Upgrade the Group's information technology systems and acquire an RMS and upgrade its POS systems	4.3	2.2	0.2	2.0	31 March 2026
General working capital	2.6	–	–	–	Fully utilised
Total	50.3	33.6	3.3	30.3	

Notes:

1. In view of the uncertainty of the current market condition, there was a delay in the time frame for the opening of the retail stores at this point in time. For the Reporting Period, the Group has not set up retail stores.

2. In view of the uncertainty of the current market condition, there has been a delay in the utilisation of the net proceeds than the planned schedule of utilisation as disclosed in the Prospectus. Nevertheless, the Group intends to continue to apply the unutilised net proceeds of approximately RM30.3 million in accordance with the section headed "Future Plan and Use of Proceeds" in the Prospectus.

3. As at the date of this report, the unutilised net proceeds from the Listing were placed in interest-bearing deposits.

As disclosed above, the actual application of the net proceeds was slower than expected and such delay was mainly due to the current market condition, which has caused obstacles, closures and movement restrictions to the retail industry to a very large extent. The Group strives to minimise the impact on its operation caused thereby and has adopted a prudent approach for utilising the net proceeds effectively and efficiently for the long term benefit and development of the Group, which is in the interest of the shareholders and the Group.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for details.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

(A) References are made to the announcements of the Company dated 24 January 2024 and 14 February 2024, respectively in related to the allotment and issue of 129,366,561 new shares of the Company to not less than six placees at the placing price of HK$1.14 per placing share (the "**First Placing**"). Reference is also made to the announcement of the Company dated 14 October 2024 in related to the change in use of proceeds (the "**Change in Use of Proceeds Announcement**").

The net proceeds from the First Placing were approximately HK$145.94 million. As at 31 December 2024, the net proceeds from the First Placing had been applied as follows:

	Intended use of net proceeds HK$'000	Amount utilised from 14 February to 14 October 2024 HK$'000	Amount unutilised as at 14 October 2024 HK$'000	Revised allocation of the unutilised net proceeds HK$'000	Amount utilised up to 31 December 2024 HK$'000	Amount unutilised as at 31 December 2024 HK$'000
Potential investment opportunities in payment related business as identified by the Group from time to time	72,970	70,000	2,970	–	–	–
Repayment of part of the Group's current debt	29,190	–	29,190	–	–	–
General working capital (including the Group's money lending business)	43,780	43,030	750	32,910	32,910	–
Total	145,940	113,030	32,910	32,910	32,910	–

(B) References are made to the announcements of the Company dated 16 September 2024 and 3 October 2024, respectively in related to the allotment and issue of 155,230,000 new shares of the Company to not less than six placees at the placing price of HK$0.53 per placing share (the "**Second Placing**").

The net proceeds from the Second Placing were approximately HK$81.33 million. As at 31 December 2024, the net proceeds from the Second Placing had been applied as follows:

	Intended use of net proceeds HK$'000	**Amount utilised up to 31 December 2024** HK$'000	**Amount unutilised as at 31 December 2024** HK$'000 (Note)
Expansion and development of the Group's insurance and financial technology related business	70,000	2,000	68,000
General working capital and general corporate purposes of the Group	11,330	–	11,330
Total	81,330	2,000	79,330

Note:

For the unutilised net proceeds from the Second Placing up to 31 December 2024, the Company intends to use them for the same intended purposes as the announcements. The Company has placed the unutilised net proceeds in interest-bearing deposits. The Board estimated that the time for utilising the remaining unutilised net proceeds by 20 October 2025.

Corporate Governance Report

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and the shareholders of the Company (the "**Shareholders**"). The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules which is released by the Stock Exchange.

In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the CG Code during the Reporting Period and up to the date of this report, except where otherwise stated.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

BOARD OF DIRECTORS

Composition

The Directors who hold office during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors
Mr. Deng Zhihua *(Chairman and Co-CEO)*
Mr. Chen Yongzhong *(Co-CEO)* (appointed on 12 July 2024)
Mr. Mo Mingdong (appointed on 14 February 2025)
Ms. Tang Tsz Yuet
Mr. Zhou Yue

Independent Non-Executive Directors
Mr. Yau Tung Shing
Mr. Gao Hongxiang
Ms. Chen Wen (appointed on 5 August 2024)
Ms. Jiao Jie (resigned on 5 August 2024)

Corporate Governance Report

The profile of the Directors are set out in the section headed "Profile of Directors and Senior Management" on pages 40 to 44 of this annual report. There is no relationship (including financial, business, family or other material or relevant relationships) amongst members of the Board.

During the Reporting Period, the Board has all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Chairman and Chief Executive Officer

The chairman of the Company, Mr. Deng Zhihua ("**Mr. Deng**"), is responsible for the overall strategic planning and corporate policies as well as overseeing the operation of the Group. Mr. Deng, as the co-chief executive officer of the Company, is also responsible for the overall management and operation in the PRC. Mr. Chen Yongzhong ("**Mr. Chen**"), as the co-chief executive officer of the Company, is responsible for the management and operation of the Group's insurance and financial technology related businesses. Datin Low Lay Choo ("**Datin Low**"), as the co-chief executive officer of the Company, is responsible for the overall management and operation in Malaysia.

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board believes that Mr. Deng has demonstrated suitable management and leadership capabilities along with his thorough understanding of the Group's business and strategy as from his appointment as the executive director, vesting the roles of both the chairman and the co-chief executive officer of the Company, Mr. Deng can facilitate and ensure a smooth and continuous execution of the Group's business strategies and boost effectiveness of its operation. Also, Mr. Deng will be fully responsible for the reporting of all the PRC operations and financial matters to both the Board and regulators in Hong Kong while Mr. Chen will be fully responsible for the same on the Group's insurance and financial technology related businesses and Datin Low will be fully responsible for the same on the businesses in Malaysia, therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances.

Board Meetings and General Meetings

The Board should meet regularly and Board meetings should be held at least four times a year. At least 14 days' notice of all regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings.

Minutes of meetings are kept by the company secretary of the Company (the "**Company Secretary**") with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and Board Committee meetings. In compliance with the code provision C.5.5 of the CG Code, minutes of Board meetings and meetings of Board Committees were recorded in sufficient detail covering the matters considered by the Board and decisions reached, including any concerns raised by the Directors, or dissenting views expressed. Draft and final versions of minutes of Board meetings were sent to all the Directors for their comment and record respectively, in both cases within a reasonable time after the Board meeting was held.

Every Board member has full access to the services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

During the Reporting Period, the Company held 22 Board meetings, details of the Directors' attendance are disclosed in the below sub-section headed "Attendance Records of Directors and Committee Members". Various matters and affairs of the Company were discussed during the Board meetings. One annual general meeting and one extraordinary general meeting was held during the Reporting Period.

On 31 March 2025, a Board meeting was held to approve, among others, the results of the Group for the year ended 31 December 2024.

Appointment, Re-election and Removal of Directors

Each of the Directors (including independent non-executive Directors) has entered into a service contract or letter of appointment with the Company for a term of three years.

Corporate Governance Report

The articles of association of the Company (the "**Articles of Association**") provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

In accordance with the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least every three years. A retiring Director shall be eligible for re-election.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Company are published in a timely manner.

The Directors, having made appropriate enquiries, considered the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The reporting responsibilities of the Company's external auditor on the financial statements of the Company are set out in the section headed "Independent Auditor's Report" in this annual report.

Responsibilities of and Delegation by the Board

The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management system of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective function.

Corporate Governance Report

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation of the Group and management of the Company are delegated to the management of the Company.

The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or the management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its function.

DIRECTORS' TRAINING

Code provision C.1.4 of the CG Code provides that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of the above received by the Directors for the Reporting Period is as follows:

	Attending training and/or reading materials relevant to the business or directors' duties
Mr. Deng Zhihua	✓
Mr. Chen Yongzhong	✓
Ms. Tang Tsz Yuet	✓
Mr. Zhou Yue	✓
Mr. Yau Tung Shing	✓
Mr. Gao Hongxiang	✓
Ms. Chen Wen	✓
Ms. Jiao Jie[1]	

Note:

1: resigned on 5 August 2024

Corporate Governance Report

Corporate Governance Functions

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

a. to approve and review the Company's policies and practices on corporate governance;

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

c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. to review and monitor the code of conduct and compliance (if any) applicable to the Directors and employees; and

e. to review the Company's compliance with the code provisions of the CG Code and disclosure in the Corporate Governance Report under the Listing Rules.

BOARD COMMITTEES

The Board has established three Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, including the audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**").

Audit Committee

The Audit Committee currently consists of three independent non-executive directors, namely Mr. Gao Hongxiang, Mr. Yau Tung Shing and Ms. Chen Wen. Mr. Gao Hongxiang currently serves as the chairman of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee include but are not limited to, make recommendation to the Board on the appointment, re-appointment and removal of the external auditor; and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, internal control procedure, risk management processes and external audit functions, and corporate governance responsibilities. The full version of the terms of reference of the Audit Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at http://www.mogglobal.com.

During the Reporting Period, the Audit Committee held 3 meetings. Details of attendance of the meetings of the Audit Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meetings or by way of written resolutions:

- reviewing the consolidated financial statements of the Group for the year ended 31 December 2024, the annual results announcement of the Group for the year ended 31 December 2024 and the audit report prepared by the auditor relating to accounting issues and major findings in course of audit;
- reviewing the interim consolidated financial statements of the Group for the six months ended 30 June 2024, the interim results announcement and report of the Group for the respective interim period prepared by the finance and management team of the Group relating to accounting issues and major findings;
- reviewing the significant audit and accounting issues arising from the external auditor's audit;
- considering the appointment of the external auditor and their audit fees;
- meeting with the external auditor without the presence of management to discuss issues arising from the audits and any other matters the auditor might wish to raise;
- reviewing the development in accounting standards and the Group's response, including the preparation for adoption of International Financial Reporting Standards; and
- reviewing the effectiveness of the internal control and risk management system.

The results for the Reporting Period have been reviewed by the Audit Committee before submission to the Board for approval.

Nomination Committee

The Nomination Committee currently consists of two independent non-executive Directors, namely Mr. Yau Tung Shing and Mr. Gao Hongxiang and one executive Director, namely Mr. Deng Zhihua. Mr. Deng Zhihua currently serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee include but are not limited to (i) review the structure, size and composition (including skills, knowledge and experience) of the Board on a regular basis (at least annually) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive directors and (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive officer. The full version of the terms of reference of the Nomination Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

During the Reporting Period, the Nomination Committee held 3 meetings. Details of attendance of the meetings of the Nomination Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meeting or by way of written resolutions:

- to assess the independence of the independent non-executive Directors;
- to select and recommend candidates of Directors;
- to consider the re-election of Directors; and
- to review the structure, size and composition (including the skills, knowledge and experience) of the Board.

No member took part in voting on his/her re-election of Director at the meeting.

Remuneration Committee

The Remuneration Committee currently consists of two independent non-executive Directors, namely, Mr. Gao Hongxiang and Mr. Yau Tung Shing and one executive Director, namely, Mr. Deng Zhihua. Mr. Gao Hongxiang currently serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee include but are not limited to (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such policy; (ii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iii) making recommendations to the Board on the remuneration of non-executive Directors; (iv) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration. The full version of the terms of reference of the Remuneration Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

During the Reporting Period, the Remuneration Committee held 3 meetings. Details of attendance of the meetings of the Remuneration Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meeting or by way of written resolutions:

– to review and discuss the remuneration packages for the Directors and senior management of the Company; and

– to consider and approve the remuneration packages for the proposed Directors.

No member took part in voting on his/her own remuneration at the meeting.

Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

	Meeting attended				
	Board	Audit committee	Remuneration committee	Nomination committee	General meeting
Number of meetings held	22	3	3	3	1
Executive Directors					
Mr. Deng Zhihua	22/22	N/A	3/3	3/3	1/1
Mr. Chen Yongzhong[1]	12/12	N/A	N/A	N/A	N/A
Ms. Tang Tsz Yuet	22/22	N/A	N/A	N/A	1/1
Mr. Zhou Yue	22/22	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Yau Tung Shing	22/22	3/3	3/3	3/3	1/1
Mr. Gao Hongxiang	22/22	3/3	3/3	3/3	1/1
Ms. Chen Wen[2]	10/10	2/2	N/A	N/A	N/A
Ms. Jiao Jie[3]	12/12	1/1	N/A	N/A	1/1

Notes:

1: appointed on 12 July 2024

2: appointed on 5 August 2024

3: resigned on 5 August 2024

Corporate Governance Report

BOARD DIVERSITY POLICY

The Group adopted a board diversity policy (the "**Board Diversity Policy**") on 23 March 2020. A summary of this policy are disclosed as below:

The purpose of the Board Diversity Policy is to achieve diversity of the Board. The Company recognises and seizes the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board Diversity policy (if any) as appropriate, which will include an assessment of the implementation and effectiveness of the Board Diversity policy on an annual basis in accordance with code provision B.1.3 of the CG Code.

As of the date of this annual report, the Company had a total of eight Directors. The Directors have a balanced mix of experiences, including overall management and strategic development, quality assurance and control, business and risk management, and finance and accounting experiences in addition to corporate legal affair experiences.

Further, the Board currently has two female Directors and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we have committed to providing career development opportunities for female staff so that we have a pipeline of female senior management and potential successors to our Board.

GENDER DIVERSITY

As at 31 December 2024, the Group's workforce (including senior management) was approximately 67.6% female and 32.4% male. The table below summarises the share of male and female at different position levels across the Group as at 31 December 2024.

Gender	Executive Directors	Non-executive Directors	Independent non-executive Directors	Managers	Employees	Total
Male	3	–	2	38	77	120
Female	1	–	1	30	218	250
Total	4	–	3	68	295	370

NOMINATION POLICY

The Company adopted a policy for nomination on 23 March 2020, pursuant to which, the Nomination Committee shall assist the Board in making recommendations to the Board on the appointment of directors; and succession planning for directors.

1. Selection criteria

1.1 The Nomination Committee shall consider the following factors, which are not exhaustive and the Board has discretion if it considers appropriate, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):

(a) Reputation for integrity;

(b) Accomplishment, experience and reputation in the business and industry;

(c) Commitment in respect of sufficient time, interest and attention to the business of the Company and its subsidiaries;

(d) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;

(e) Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Listing Rules; and

(f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

1.2 The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations.

2. Nomination Procedures

2.1 The proposed candidates will be asked to submit the necessary personal information to the Nomination Committee.

2.2 The Company Secretary shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

2.3 For the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

2.4 For the re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

2.5 If a shareholder wants to propose a candidate to the Board for consideration, he/she shall refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" in the section "Corporate Governance Report" of this annual report.

2.6 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has undertaken the overall responsibility for overseeing the Group's risk management and internal control systems on an on-going basis and reviewing their effectiveness at least annually in order to safeguard the interests of the shareholders and the assets of the Group.

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated to the Audit Committee to review the effectiveness of the risk management and internal controls of the Group. Based on its review, the Audit Committee advises the Board on the effectiveness of the Group's risk management and internal control systems, including the identification and monitoring of the risks, the adequacy of resources, staff qualifications and experience, training programmes and the Company's accounting and financial reporting functions. The management has also been delegated to design, implement and maintain the appropriate and effective risk management and internal control systems of the Group.

To further strengthen the risk management and internal control of the Group, the Company has appointed external advisers to undertake the internal audit function and perform the ongoing monitoring of the internal control systems of the Group. The external advisers evaluate the Group's risk management and internal control systems by reviewing the material controls, including financial, operation and compliance. The rotation basis would be applied to operations with similar risk associated so as to enhance the efficiency and effectiveness of the internal audit function. Review results and the recommendations in the form of written report are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the management of the Group to ensure all significant control activities are properly in place within the Group and findings previously identified have been properly resolved.

The Company is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Company has conducted a review on the effectiveness and efficiency of the Groups risk management and internal control systems during the Reporting Period and the Audit Committee has confirmed that there is no significant deficiency and weakness on the internal control system has been identified by the external advisers. The Board satisfied and confirmed that the Group's risk management and internal control systems were effective and adequate.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance of Hong Kong (the "**SFO**") and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclose to the public, such information is kept strictly confidential. In addition, the Group adopted the policy of disclosing relevant information only to appropriate staff within the Group and established written guidelines regarding employees' securities transactions on terms no less exacting than the standard set out on the Model Code for the compliance by its relevant staff in respect of their dealings in the Company's securities.

AUDITOR'S REMUNERATION

The remunerations paid or payable to the external auditors of the Company Suya WWC CPA Limited ("**Suya**") and the component auditors of the Company Grant Thornton Malaysia PLT ("**GT**"), in respect of audit and non-audit services provided to the Group for the Reporting Period are set out below.

	RMB'000
Audit service provided by Suya for the Reporting Period	846
Audit service provided by GT for the Reporting Period	348
Non-audit service provided by GT for the Reporting Period	
– tax compliance services for the Reporting Period	303
Total	1,497

SHAREHOLDERS' RIGHTS

The Company encourages the Shareholders to attend the general meetings of the Company. To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meeting, including the election of individual Director(s). All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

A shareholder may send an enquiry to the principal place of business of the Company at Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry.

The Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM") and for Putting Forward Proposals at General Meeting

Pursuant to Article 58 of Articles of Association, extraordinary general meeting of the Company shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary at the Company's head office or principal place of business in Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and signed by the requisitionist(s) (the "**Requisitionists**").

Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) of the Company.

Procedures for putting forward proposals at Shareholders' meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, Shareholders may request the Company to convene an extraordinary general meeting following the procedures as set out above.

Corporate Governance Report

The Procedures for Shareholders to Propose a Person for Election as a Director of the Company

Article 85 of the Articles of Association provides that no person, other than a retiring director of the Company, shall, unless recommended by the board of directors of the Company for election, be eligible for election to the office of director of the Company (the "**Director**") at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodging the notices as required under the Articles of Association will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a director of the Company at the general meeting, the following documents must be validly served at the Company's head office in Hong Kong or the Branch Share Registration and Transfer Office, namely (1) his/her notice of intention to propose a resolution at the general meeting; (2) a notice signed by the nominated candidate of his/her willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data, contact address and contact telephone number.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

A Shareholder's communication policy was adopted by the Board aiming to provide to the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. Extensive information about the Company's activities is provided in its interim report and annual report, which are sent to Shareholders in due course. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The notice of the annual general meeting is distributed to all Shareholders at least 21 days before the meeting. Separate resolutions are proposed at general meetings on each separate issue and voting of which is taken by poll pursuant to the Listing Rules. Results of the poll are published on both the website of the Stock Exchange and the Company. All corporate communication with Shareholders will be posted on the website of the Company for Shareholders' information.

The Company reviewed the implementation and effectiveness of the shareholders' communication policy for the year ended 31 December 2024 and considered it to be effective.

BOARD INDEPENDENCE EVALUATION MECHANISM

The Company has adopted the board independence evaluation mechanism. The details are as follows:

Objective

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development.

The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

This mechanism is designed to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

Mechanism

a) Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors.

b) Nomination policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.

c) For independent non-executive Directors ("**INED(s)**"):

   i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the nomination policy as well as the Listing Rules;

   ii) Each INED has to declare his/her past or present financial or other interests in the Group's business as soon as practicable, or his/her connection with any of the Company's connected persons (as defined in the Listing Rules), if any; and

   iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.

d) The Nomination Committee will assess annually the independence of all INEDs and to affirm if each of them still satisfies the criteria of independence as set out in the Listing Rules and is free from any relationships and circumstances which are likely to affect, or could appear to affect, their independent judgement. Every Nomination Committee member should abstain from assessing his/her own independence.

e) Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.

f) A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company's expense.

g) Directors are encouraged to access and consult with the Company's senior management independently, if necessary.

h) The Board Independence Evaluation may take in the form of a questionnaire to all Directors individually and may be supplemented by individual interview with each Director, if necessary, and/or in any other manners which the Board considers fit and necessary.

i) The Board Independence Evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

j) The results of the Board Independence Evaluation or a summary of the findings of the said evaluation will be disclosed in the Corporate Governance Report contained in the annual report of the Company or on the Company's website for accountability and transparency purposes.

k) The aforesaid Board Independence Evaluation will be regarded as an ongoing exercise of the Company while the Company may seek assistance from external consultant if an external evaluation on the same subject is needed.

During the year ended 31 December 2024 and as at the date of this report, the Board Independence Evaluation had been conducted by way of completing a questionnaire by all Directors. The results of the Board Independence Evaluation are summarised as follows:

1. The Board as a whole possessed the skills and range of experience needed to adequately fulfill its fiduciary responsibilities, more reliably hold management to account, and better safeguard Shareholders' interests.

2. Board meetings were conducted in a manner that allowed open communication, meaningful participation (including in-depth discussion and resolutions of issues).

3. All INEDs brought independent judgement to bear on the Board's deliberations.

4. All INEDs have actively participated in all Board meetings and Board Committees' meetings; and raised governance and ethical issues to the Board.

WHISTLEBLOWING POLICY

In compliance with code provision D.2.6 of the CG Code, the Company has adopted a whistleblowing policy. It provides employees and the relevant third parties who deal with the Group (e.g. customers, contractors and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and his/her identity will be kept confidential. The Audit Committee will regularly review the whistleblowing policy to improve its effectiveness and employee confidence in the process and to encourage a "speak up" culture across the Company.

ANTI-CORRUPTION POLICY

In compliance with the code provision D.2.7 of the CG Code, the Company has adopted an anti-corruption policy. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof to the management or through an appropriate reporting channel. The Group would not tolerate any forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties. The Board will review the anti-corruption policy to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

DIVIDEND POLICY

The Company does not have a fixed dividend policy, however the Directors expect the Group's dividend payout ratio will be not less than 30% of its annual distribution net profit. Notwithstanding the aforesaid, the Board shall have the discretion with regards to any recommendation as to the declaration, amount and means of payment of any dividends and the amount of any actual dividends will depend on the Group's earnings and financial conditions, operating and capital requirements and any other factors deemed relevant. Further, such declaration will also be subject to the applicable laws and regulations including the Companies Act (as revised) of the Cayman Islands, Articles of Association and, other than payment of an interim dividend, the approval of Shareholders.

COMPANY SECRETARY

Mr. Yu Wan Hei ("**Mr. Yu**") was appointed as the Company Secretary on 5 August 2022. Mr. Yu has confirmed that he received not less than 15 hours of relevant professional training during the Reporting Period. Please refer to the section headed "Profile of Directors and Senior Management" of this annual report for the profile of the Company Secretary.

Corporate Governance Report

CONSTITUTIONAL DOCUMENTS

On 27 June 2024, the Articles of Association and the memorandum of association of the Company (the "**Memorandum of Association**") have been approved in the annual general meeting of the Company. Details of the amendments of the Articles of Association and the Memorandum of Association have been set out in the circular of the Company dated 26 April 2024. The Articles of Association and the Memorandum of Association is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed elsewhere in this annual report, there were no other change to the Directors' information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Profile of Directors and Senior Management

BOARD OF DIRECTORS

Executive Directors

Mr. Deng Zhihua (鄧志華先生) ("Mr. Deng"), aged 47, was appointed as an executive Director on 28 October 2022. Mr. Deng has been appointed as the chairman of the Board and the co-chief executive officer of the Company with effect from 5 May 2023. He has been appointed as the chairman of the Nomination Committee and a member of the Remuneration Committee with effect from 23 May 2023. Mr. Deng is responsible for the overall strategic planning and corporate policies as well as overseeing the operation of the Group. He is also responsible for the overall management and operation in the PRC. Mr. Deng is currently an executive director and a chief executive officer of Jiangxi Mali Intelligence Technology Company Limited* (江西馬力智能科技有限公司), being a wholly owned subsidiary of the Company. He has extensive experience in corporate operations management. Prior to joining the Group, Mr. Deng served as several senior positions in China United Network Communications Group Co., Ltd (中國聯合網絡通信有限公司) during the period from 1999 to 2007. After 2007, Mr. Deng has participated in several China corporations which mainly engaged in the provision of mobile communications value added services. Mr. Deng has extensive experience in the areas of mobile communications related services.

Mr. Deng obtained a bachelor's degree in computer science and communication engineering from East China Jiao Tong University (華東交通大學).

Mr. Chen Yongzhong (陳永忠先生) ("Mr. Chen"), aged 56, was appointed as an executive Director on 12 July 2024. Mr. Chen has been appointed as the co-chief executive officer of the Company with effect from the same day. Mr. Chen also holds directorship in several subsidiaries of the Company. Mr. Chen is responsible for the management and operation of the Group's insurance and financial technology related businesses. Mr. Chen's professional background includes substantial experience in the management of insurance-related enterprises. Prior to joining the Group, Mr. Chen held the position of general manager at AnBang Property and Casualty Insurance Co., Ltd. (安邦財產保險股份有限公司) from 2016 to 2019. Additionally, Mr. Chen has been serving as (i) a director of Lubao Technology (Guangdong) Co., Ltd* (履保科技(廣東)有限公司) since 2019 and (ii) a director of Zhongbao Technology Creation (Zhuhai) Company Limited* (中保科技創新(珠海)有限公司) ("**Zhongbao Tech**"), an indirect non-wholly owned subsidiary of the Company, since 2021. Both entities are engaged in providing services to insurance companies, insurance intermediaries, and other participants in the insurance industry in China. Furthermore, Mr. Chen also holds approximately 27.8% shareholding in Zhongbao Tech.

Mr. Chen obtained a bachelor's degree in law from Zhejiang University.

* *For identification purpose only*

Profile of Directors and Senior Management

Mr. Mo Mingdong (莫銘東先生) ("Mr. Mo"), aged 37, was appointed as an executive Director on 14 February 2025. Mr. Mo has extensive experience in corporate management. Prior to joining the Group, Mr. Mo held several key positions, including (i) general manager of the securities sales department of Jiangmen Taishan Huanbei Avenue at Everbright Securities Company Limited* (光大證券股份有限公司江門台山環北大道證券營業部) from June 2016 to December 2018; (ii) general manager of the securities sales and innovation business department of Jiangmen Xinhui Gangzhou Avenue at Everbright Securities Company Limited* (光大證券股份有限公司江門新會岡州大道中證券營業部創新業務部) from December 2018 to May 2020; and (iii) president of Shenzhen Tengyue Investment Management Co., Ltd.* (深圳市騰岳投資管理有限公司) from May 2020 to February 2024. Since February 2024, Mr. Mo has been serving as the chairman of Lefeng (Hainan) Private Equity Fund Management Co., Ltd. (樂風(海南)私募基金管理有限公司). Additionally, Mr. Mo has served as a visiting professor at the MBA Center of Shanghai International Studies University International Business School* (上海外國語大學國際工商管理學院MBA中心).

Mr. Mo obtained a Bachelor of Commerce (Marketing) from the University of Sydney.

Mr. Zhou Yue (周月先生) ("Mr. Zhou"), aged 39, was appointed as an executive Director on 23 June 2022. He also holds directorship in several subsidiaries of the Company. He has extensive experience in corporate operations management. Prior to joining the Group, Mr. Zhou has been served as an engineer in HannStar Board International Holdings Limited* (瀚宇博德科技股份(江陰)有限公司), a company principally engaged in manufacturing of printed circuit board for the notebook computer industry worldwide, since February 2008 and is mainly responsible for technology hardware system development and providing strategic advice on the overall business development.

Mr. Zhou obtained a bachelor's degree in mechanical design manufacturing and automation from Jiangsu University.

Ms. Tang Tsz Yuet (former name: Tang Fung Chu) (鄧旨鈅女士) ("Ms. Tang"), aged 47, was appointed as an executive Director on 23 June 2022. She also holds directorship in several subsidiaries of the Company. She has extensive experience in overall corporate management in the tourism industry. Prior to joining the Group, Ms. Tang has been served as the senior manager of International Travel Services Limited (冠威國際旅遊有限公司), a company principally engaged in travel-related business, since 2022 and is mainly responsible for overall business development and strategic planning as well as the operation and management in general.

* *For identification purpose only*

Profile of Directors and Senior Management

Independent Non-Executive Directors

Mr. Yau Tung Shing (邱東成先生) ("Mr. Yau"), aged 34, was appointed as an independent non-executive Director on 16 August 2022, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. Yau is the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Yau has extensive experience in corporate finance, mergers and acquisitions and fund-raising exercises in various ventures and projects with a deal portfolio covering private entities and publicly listed companies in Hong Kong and the People's Republic of Chine. He is also a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Yau is (i) a responsible officer of Silverbricks Securities Company Limited, a licensed corporation registered under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 6 (advising on corporate finance); and (ii) a non-executive director of Wan Leader International Limited (stock code: 8482), whose shares are listed on the GEM of the Stock Exchange since December 2024. Mr. Yau was (i) a licensed representative of RHB Capital Hong Kong Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity from April 2018 to December 2018; (ii) a licensed representative of Draco Capital Limited from January 2019 to June 2020; (iii) a licensed representative of DL Securities (HK) Limited, a licensed corporation registered under the SFO to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities from July 2020 to March 2021; (iv) a responsible officer of DL Securities (HK) Limited from March 2021 to April 2022; and (v) a non-executive director of Pinestone Capital Limited (stock code: 804), whose shares are listed on the Stock Exchange with effect from September 2022 to December 2024.

Mr. Yau obtained his bachelor's degree in Business Administration (Honours) and the degree of Master of Science in Finance from the City University of Hong Kong.

Profile of Directors and Senior Management

Mr. Gao Hongxiang (高鴻翔先生) ("Mr. Gao"), aged 55, was appointed as an independent non-executive Director on 13 September 2023, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. Gao is the chairman of the Audit Committee and the Remuneration Committee and member of the Nomination Committee. Mr. Gao does not hold any other position with the members of the Group. Mr. Gao has extensive of experience in auditing, accounting and financial management of foreign, private and listed companies. Prior to joining the Group, Mr. Gao was (i) the internal audit specialist of Shanghai SC Johnson Co., Ltd.* (上海莊臣有限公司); (ii) the accountant and finance manager of Huitong Lianyu Co., Ltd.* (會通聯運有限公司); (iii) the finance director of Tailing Pharmaceutical (China) Co., Ltd.* (泰凌醫藥(中國)有限公司); (iv) the finance director of BreadTalk (China); (v) the finance director of Jinmeng Suzhehui Group* (金萌蘇浙匯集團); and (vi) general manager of Shanghai Dipusi Biotechnology Co., Ltd.* (上海迪普士生物科技有限公司).

Mr. Gao obtained a bachelor's degree in auditing from Shanghai University of Finance and Economics and is a member of the Chinese Institute of Certified Public Accountants.

Ms. Chen Wen (陳文小姐) ("Ms. Chen"), aged 52, was appointed as an independent non-executive Director on 5 August 2024, and is mainly responsible for providing independent opinion and judgement to the Board. Ms. Chen is also a member of the Audit Committee. Ms. Chen does not hold any other position with the members of the Group. Prior to joining the Group, Ms. Chen accumulated valuable experience through her tenure at various law firms. From 2006 to 2017, she served as a lawyer at Guangxi Gufang Law Firm* (廣西古方律師事務所) and has been a full-time lawyer at Guangxi Qixing Law Firm* (廣西齊興律師事務所) since 2018.

Ms. Chen holds a bachelor's degree in law from Guangxi University and has a Lawyer's License in the People's Republic of China.

Senior Management

Dato' Ng Kwang Hua ("Dato' Frankie Ng") is the founder of the Group. He is responsible for the overall strategic planning and corporate policies as well as overseeing the operations in Malaysia. He joined the Group in October 1996. He also holds directorship in several subsidiaries of the Company. From June 2019 to May 2023, Dato' Frankie Ng was the chairman of the Board and the executive director of the Company. Dato' Frankie Ng has extensive experience in the eyewear retail industry. Dato' Frankie Ng is a registered optician in Malaysia. Dato' Frankie Ng attended high school in Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School), Selangor. He was conferred Darjah Indera Mahkota Pahang (D.I.M.P.) which carries the honourary title "Dato" by His Majesty Sultan Haji Ahmad of Pahang Darul Makmur in 2016. Dato' Frankie Ng is the spouse of Datin Low Lay Choo.

* *For identification purpose only*

Profile of Directors and Senior Management

Datin Low Lay Choo ("Datin Low") is the co-chief executive officer of the Company with effect from May 2023. She is mainly responsible for the overall management and operation in Malaysia. She joined the Group in April 1999. She also holds directorship in several subsidiaries of the Company. From June 2019 to June 2022, Datin Low was the executive director of the Company. Datin Low has extensive experience in the eyewear retail industry. Datin Low is a registered optician in Malaysia. Datin Low graduated from Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School), Selangor. Datin Low is the spouse of Dato' Frankie Ng.

Ms. Qian Jing (錢靜女士) ("Ms. Qian") is the chief financial officer of the Group's PRC subsidiaries and is primarily responsible for overall management of the Group's strategy and the Group' corporate development in the PRC, which include but not limited to the Group's existing PRC digital payment solutions related business.

Prior to joining the Group, Ms. Qian severed as a financial controller of Dongtai Heng Cai Xin Cailiao Company Limited* (東台恒彩新材料有限公司), being a PRC company principally engaged in the sales of chemical coatings in the PRC during the period from 2012 to 2022, where she was primarily responsible for overseeing the company's financial affairs and corporate governance.

Ms. Wong Poh Wan ("**Ms. Wong**") is the chief financial officer of the Group's Malaysia subsidiaries. She is responsible for the overall finance and reporting function in Malaysia. Ms. Wong has extensive experience in the field of financial reporting, taxation, auditing and management service. She started her career as an audit assistant in an audit firm immediate after her graduation. She then acted as a company secretary and provide management services to corporate clientele before she joined an oil and gas company, a subsidiary of a company listed on Kuala Lumpur Stock Exchange, as an Accounts Assistant Manager. Prior to her joining the Group, she was the Group Reporting and Finance Manager in Fortune Laboratories Sdn. Bhd, currently known as McBride Malaysia Sdn. Bhd ("**MBM**"). MBM is a subsidiary of McBride Plc in Asia Pacific, a company listed on London Stock Exchange (Stock code: MCB).

She obtained her bachelor's degree in accounting from Universiti Putra Malaysia in Malaysia and is the member of Malaysian Institute of Accountant.

Mr. Yu Wan Hei (余運喜先生) ("Mr. Yu") is the company secretary of the Company. Mr. Yu obtained a bachelor degree of Business Administration in Accounting from The Hong Kong University of Science and Technology and a master degree of Science in Accountancy from The Hong Kong Polytechnic University. Mr. Yu is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Yu has extensive experience in accounting, auditing, corporate finance and company secretarial works.

* *For identification purpose only*

Environmental, Social and Governance Report

MOG Digitech Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**" or "**we**") is committed to long term sustainability of the environment and communities in which it operates. The Group is committed to environmental protection, endeavours to comply with the laws and regulations on environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction as well as serving the community, so as to work together to promote green and harmonious development.

ABOUT THIS REPORT

This is the sixth environmental, social and corporate governance ("**ESG**") report (the "**ESG Report**") issued by the Group since the listing date, which discloses the relevant ESG initiatives adopted by and performance of the Group during the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**" or "**2024**"), in accordance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Reporting Guide**") as set out in Appendix C2 under the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

REPORTING SCOPE

Taking consideration of the Group's core business and major sources of income, the management of the Group discusses and confirms the scope of the ESG Report based on the materiality principle. This ESG report covers the Group's digital payment solutions related business in the PRC and optical product retail business in Malaysia. The Group will continue to assess the major ESG issues of different business segments and extend the scope of disclosure when and where applicable.

REPORTING PRINCIPLES

This ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix C2 of the Main Board Listing Rules of the Stock Exchange. In order to ensure the accuracy of the calculation of environmental key performance indicators ("**KPIs**"), the Group has engaged a professional consulting company to be responsible for the calculation of data and the preparation of this ESG Report. In the process of preparing this ESG Report, the Group had carried out due diligence to ensure that the reporting principles of "materiality", "quantitative", "balance" and "consistency" are followed. This ESG Report discloses the environmental, social and governance issues that are most relevant to our business through materiality assessment. If applicable, this ESG Report will detail the criteria, methods, assumptions and/or calculation tools used, as well as the source of conversion factors, and explain any inconsistencies with previous reports.

Environmental, Social and Governance Report

Materiality

The Board determines the material ESG issues based on its impacts level resulting from the Group business activities. This ESG Report is prepared based on the importance of each issue derived from stakeholder engagement and materiality assessment processes. The Board has reviewed and confirmed the materiality of relevant issues. Please refer to the sections headed “Stakeholders Engagement” and “Materiality Assessment” for further details.

Quantitative

This ESG Report is prepared in accordance with the ESG Reporting Guide and disclosed the KPIs in a quantitative manner. Information regarding the criteria, methodology and assumptions, the calculation tools used and the sources of conversion factors used for KPIs have been appropriately disclosed.

Balance

This ESG Report is prepared in an objective and fair manner to ensure that the disclosed information truthfully reflects the Group’s overall ESG performance.

Consistency

Except for the change in reporting scope, the statistical methods used in this ESG Report are generally consistent with the ESG report of last year. If there are any changes that may affect the comparison with last year’s report, the Group will make explanations in the corresponding section.

ESG MANAGEMENT SYSTEM

In the process of fulfilling its corporate social responsibility, the Group strives to move towards the goal of achieving sustainable development. The ESG governance structure includes the Board, management and functional departments.

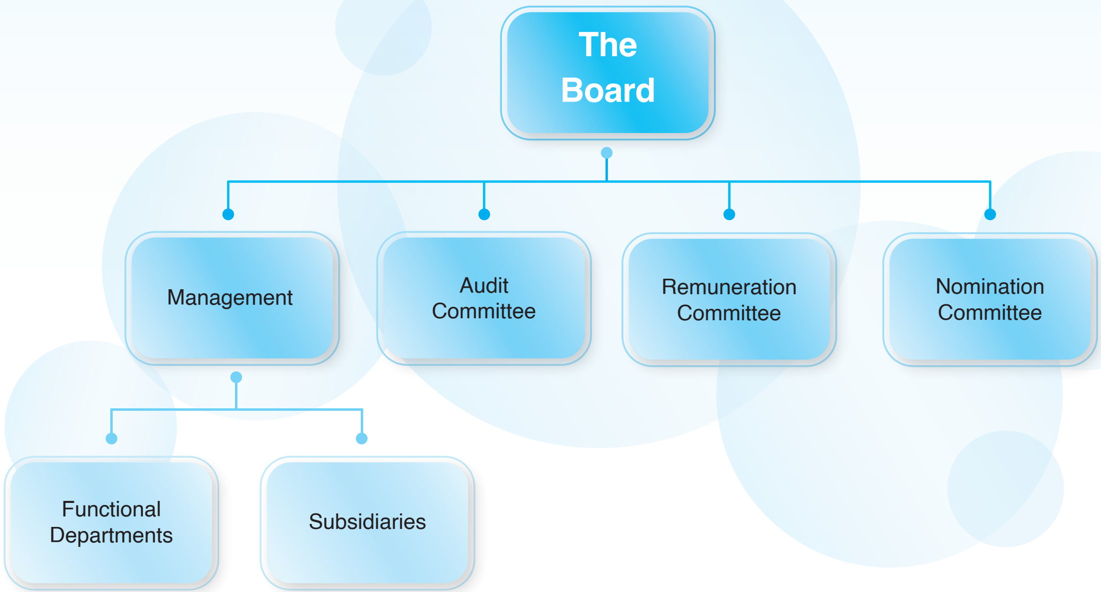
Environmental, Social and Governance Report

The board of directors (the "**Directors**") of the Company (the "**Board**") takes the overall responsibility for the formulation and implementation of ESG strategy and reporting. The Board is diverse in its composition and the members are equipped with the appropriate technical capabilities, extensive experience, professional knowledge and broad perspectives required to supervise the ESG matters of the Group. In order to better manage the Group's ESG performance, related issues and potential risks, the Board discusses ESG issues collectively on a regular basis, evaluates and identifies ESG-related risks and opportunities, reviews the materiality of ESG issues, as well as reviews the performance of the Group against ESG-related targets at least once a year. In addition, the Board is responsible for ensuring the effectiveness of the Group's risk management and internal control systems and considering and approving disclosures in the ESG report. In order to assist the Board in discharging its responsibilities on ESG matters, the management reports to the Board on the progress of ESG related work at least once a year, and provides professional advice on relevant issues to continuously improve the Group's ESG performance.

The Board has delegated the management to systematically identify and manage ESG issues. The management designates relevant personnel from functional departments to collect and analyze relevant ESG data, monitor and evaluate the Group's ESG performance, track and review the Group's progress towards the ESG-related targets, ensure compliance with ESG-related laws and regulations, and assist in materiality assessment and prepare ESG report. The management arranges meetings at least once a year to evaluate, determine, monitor and manage the ESG-related risks and review the effectiveness of the ESG management system.

Environmental, Social and Governance Report

For information related to the Group's corporate governance, please refer to the section headed "Corporate Governance Report" of this annual report.



STAKEHOLDERS ENGAGEMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the performance of the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. This enables the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment. Moreover, the Group acknowledges the importance of information and feedback gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond to key stakeholders.

Environmental, Social and Governance Report

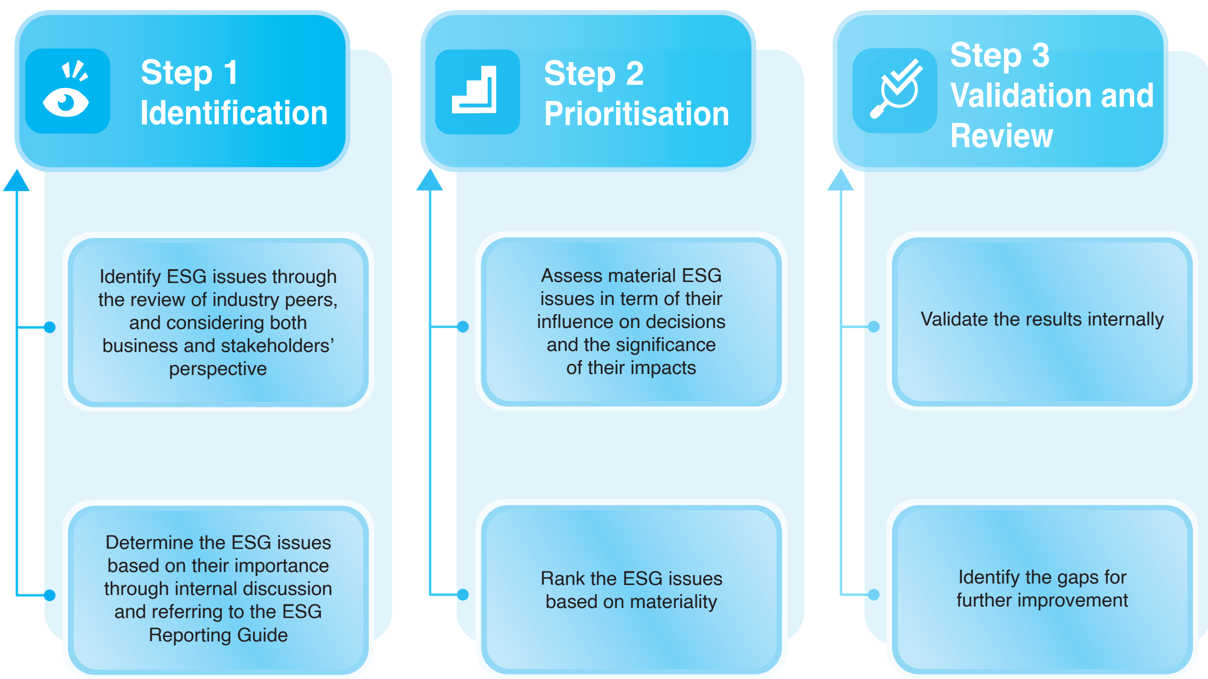
Stakeholders	Engagement Channels	Issues of Concerns
Government and Market Regulator	• Annual reports and announcements • Company website • Supervision and inspection	• Compliance with the laws and regulations • Proper tax payment • Disclosure of information
Shareholders and Investors	• Annual reports, interim reports and announcements • Company website	• Information disclosure and transparency • Protection of interests and fair treatment of shareholders • Reputation
Employees	• Training, seminars, briefing sessions • Cultural and sports activities • Emails • Employee survey	• Occupational health and safety • Working environment • Career development opportunities • Self-actualisation • Remuneration and benefits
Customers	• Company website, brochures, annual reports and announcements • Retail stores • Customer service hotline • Social media platform	• Safe and high-quality products • Good customer service • Product pricing and promotion
Suppliers and Business Partners	• Business meetings, supplier conferences, phone calls	• Long-term partnership • Honest cooperation • Product and service quality • Pricing and discount • Stable and sustainability
Public and Community	• Charity and social investment • Environmental responsibilities	• Contribution to community development • Social responsibilities • Protection of environment

MATERIALITY ASSESSMENT

The Group firmly believes that feedback from stakeholders not only provides us with the opportunity to conduct a comprehensive and objective assessment of our ESG performance, but also provides us with directions for improving our performance. Our ongoing interaction with key stakeholders – including shareholders, business partners, employees, suppliers, service providers and the community – provides a platform for us to listen to their concerns and build shared goals. This interaction in turn drives our business development plans in the right direction and ensures the sustainability of our operations. Therefore, the Group communicates with stakeholders in an open, honest and positive manner through various channels such as results announcements and annual reports.

The Group's operations affect many stakeholders, for example, shareholders, employees, suppliers and service providers, etc. who have different expectations for the Group. The Group will continue to communicate with them to continuously optimize our strategies and practices in environmental, social and governance aspects.

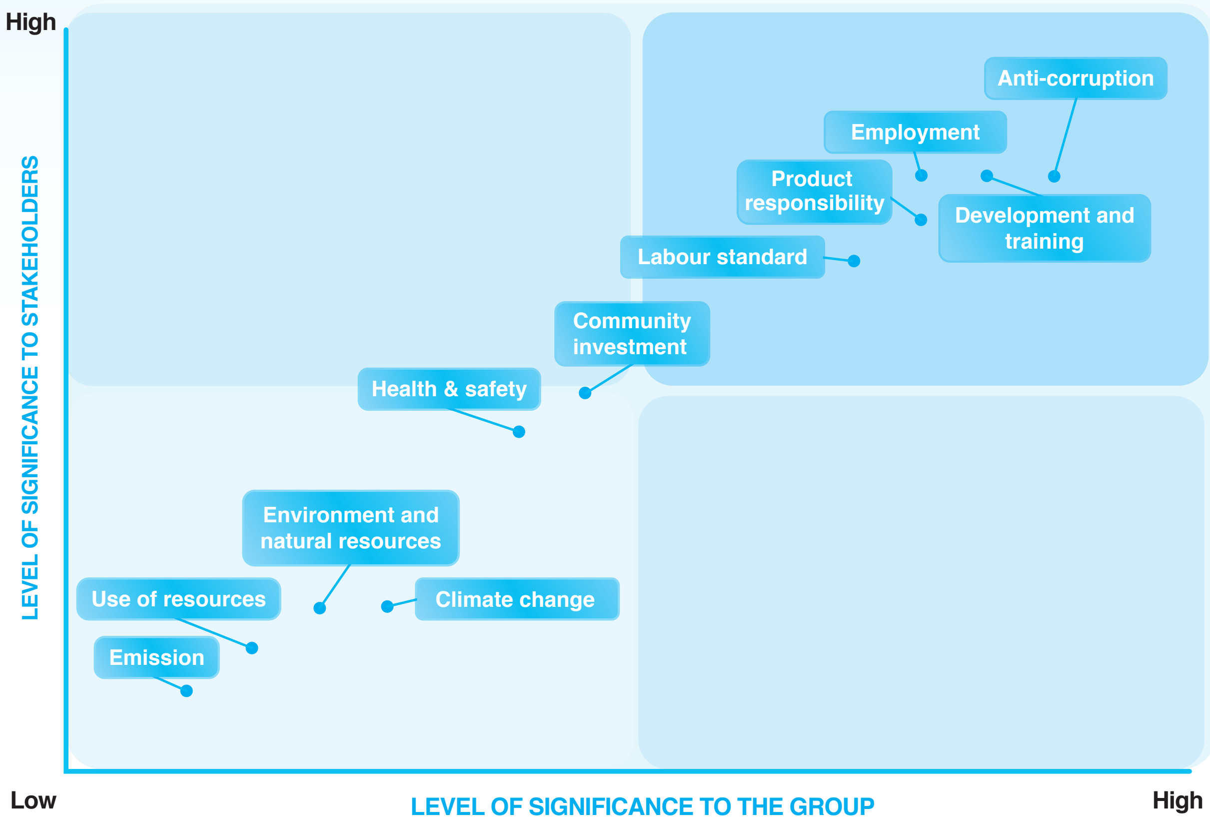
The Group has evaluated the materiality and importance in ESG aspects through the following steps:



Environmental, Social and Governance Report

As the Group's core business and environmental, social and governance strategies are consistent with last year, the Group has adopted the 2023 materiality matrix for the Year:

Materiality Assessment Matrix



Based on the result of the materiality assessment, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the followings:

Environmental, Social and Governance Report

ENVIRONMENT

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its impact on the environment for sustainable development. To fulfil the Group's corporate social responsibility and improve the Group's ESG performance, we have set specific environmental targets, covering aspects of energy conservation, emission reduction and waste management, with the aim to align with the local government's vision of carbon neutrality and enhance corporate reputation of the Company.

To achieve these goals, we have taken specific measures including optimizing production processes, introducing renewable energy, implementing energy-saving and emission reduction technologies, and evaluating progress through regular environmental audits. We are committed to looking for the best balance between ensuring cost effectiveness, resources efficiency and environmental friendliness to reduce energy consumption and improve resources utilization efficiency.

During the reporting period, we complied with all applicable environmental laws and regulations, and no serious violations of environmental laws and regulations occurred. We promise to continue to strengthen communication with stakeholders to ensure transparency and sustainability of environmental responsibilities.

A1: Emissions

Due to the Group's business nature, the Group does not directly generate any hazardous emissions and waste in the course of its operations.

Air Pollutants Emission

No substantial direct air pollutants emissions were generated in daily operation as the Group is not engaged in any industrial production. We consider that as the direct air pollutant emissions generated during the Reporting Period were not significant to the Group, the related data are not disclosed in this Report. Nonetheless, we are still committed to doing our best to reduce various environmental impacts through measures including energy conservation, carbon emission reduction and waste management.

If future business changes involve potential air pollution emissions, we will continue to evaluate and take appropriate measures to monitor and report.

Greenhouse Gas ("GHG") Emission

The Group's major source of GHG emissions is the purchased electricity (Scope 2).

Below summarises the data of the GHG emission:

Indicator[1]	Unit	2024	2023
Scope 2 – Energy indirect GHG emissions – Purchased electricity	tonnes CO_2e	**554.74**	552.17
Total GHG emission	tonnes CO_2e	**554.74**	552.17
GHG emission intensity[2]	tonnes CO_2e/employee	**1.70**	1.37

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and 2022 Sustainability Report issued by Tenaga Nasional.

2. As of 31 December 2024, the total number of employees within the Group's reporting scope (i.e., the optical product retail business in Malaysia and the digital payment solutions related business in the PRC) was 308. As of 31 December 2023, the Group's total number of employees within the reporting scope was 404. This data will also be used for calculating other intensity data in this ESG Report.

During the Reporting Period, with 2023 as the base year, the Group set a goal to reduce its GHG emission intensity by 2% by 2030. To achieve the goal and reduce the Group's carbon footprint, the Group has taken the following measures to reduce carbon emissions and control the increase in carbon emissions:

- turning off all electronic appliances when leaving their desk or office for long period;
- switching off light and air-conditioners during lunch hour;
- promoting the culture of energy saving; and
- power usage statistic notification and awareness.

Waste Management

Hazardous waste

The Group's major operational activities are not involved directly in the generation of significant hazardous waste. During daily office operation, we inevitably generate some hazardous waste, including electronic waste from ink cartridges that we used for printing and replacement of aging equipment. To ensure compliance with waste disposal, we have engaged a licensed waste collector approved by the local authority for scheduled waste disposal.

Nonetheless, we recognize that the management of hazardous waste is equally important and will continue to reduce our environmental impact through measures including reducing waste generation and increasing waste recycling rates. In view of the hazardous waste generated during the reporting period was not significant to the Group, we did not disclose the relevant treatment volume and targets in this ESG Report. In the future, if there are any new business expansions or changes, we will further review and implement corresponding management measures.

Non-hazardous waste

The generation of non-hazardous waste mainly came from office operation, such as paper and packing material.

Below summarises the data of non-hazardous waste disposal:

Type of non-hazardous waste	Unit	2024	2023
Paper and packing material	tonnes	**4.30**	6.34
Intensity	tonnes/employee	**0.01**	0.02

With 2023 as the base year, the Group has set a goal to maintain an increase in the non-hazardous waste intensity of no more than 5% in the future. To achieve the goal, the Group has implemented the following initiatives to effectively manage waste and encourage recycling in operations to reduce its impact on the environment.

- Using double-sided printing;
- Utilizing electronic media for communication;
- Recycling one-sided printed paper; and
- Avoiding single-use of disposable item.

A2: Use of Resources

In the Group's daily operation, energy and water are the major sources of resource consumption. In order to achieve cost optimisation and resource saving, our management remains committed to reducing energy and water usage through rational allocation and effective management. At the same time, we promote the culture of reuse, reduce and recycle and set annual budget to control the usage of energy, water and other resources such as printing materials to ensure excessive use is avoided.

We also continue to promote energy conservation and emission reduction by introducing energy-saving equipment, optimizing work processes, and regularly evaluating resource usage efficiency. To further promote sustainable development, we will continue to strengthen monitoring of resource use and set specific energy conservation and water use goals in an effort to reduce environmental impact.

Energy Consumption

The Group recognises the importance of properly managing and regulating energy consumption so as to keep operational costs low and help to reduce the impact on the environment.

Below summarises the data of energy consumption:

Type of energy	Unit	2024	2023
Indirect energy consumption			
– Purchased electricity	kWh	**799,333.76**	1,003,935.10
Total energy consumption	kWh	**799,333.76**	1,003,935.10
Energy consumption intensity	kWh/employee	**2,595.24**	2,484.99

With 2023 as the base year, the Group has set a goal to maintain an increase in energy consumption intensity of no more than 5% in the future. To achieve the goal, the Group assesses and identifies energy saving opportunities at its operating locations. The administrative department has been required to record electricity consumption data and conduct energy usage analysis by comparing it with the consumption in the corresponding period of the year. Where feasible or applicable, we also replace conventional lighting solutions with light-emitting diodes ("**LED**"). Other energy-saving measures are described in the section headed "Greenhouse Gas Emission" at aspect A1.

Water Consumption

Water is one of the most important natural resources for daily operation. There were no major issues with the water supply as the water sources are directly supplied from the relevant government agency.

Below summarises the data of water consumption:

Indicator	Unit	2024	2023
Total water consumption[3]	m^3	5,554	6,766
Water consumption intensity	m^3/employee	18.03	17.04

Note:

3. There is no water consumption data as the water charges for the Group's digital payment solutions related business in the PRC are included in the property management fees. This data only covers the optical product retail business in Malaysia.

Due to the nature of the Group's business, water consumption is relatively limited. Despite the above, with 2023 as the base year the Group has set a goal to maintain an increase in water consumption density of no more than 5% in the future. To achieve the goal, the Group actively seeks ways to mitigate water consumption by raising employees' awareness on water saving, such as encouraging our staff to conserve water by placing reminder sticker or signboard around the washroom and pantry, reminding staff to turn faucet off tightly and conducting regular inspection and maintenance of water facilities.

Packaging Material

The Group does not consume significant amount of packaging materials in our operations as the Group does not have business activities concerning industrial production or any manufacturing facilities. The packaging material generally used for packing finished goods are paper bags. The Group will monitor the usage in term of sales volume and schedule delivery with multiple orders to optimise the usage of minimum packing size hence reduce the overall packing and distribution cost.

Indicator[4]	Unit	2024	2023
Total packaging material consumption	kg	17,710	15,669
Packaging material consumption intensity[5]	kg/RMB1,000 Revenue	0.103	0.086

Notes:

4. The data only relates to the optical product retail business in Malaysia since the Group's digital payment solutions related business in the PRC doesn't involve consumption of significant amount of package material.

5. The Group's revenue from optical product retail business in Malaysia was approximately RMB172,443,000 for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: RMB181,259,000).

The Group had assigned a specific department to collect and maintain the data of consumption of the above resources on monthly basis and monthly analysis report will be generated for evaluation. In the event any significant fluctuations are found, investigation will be initiated and remedial action will be taken up.

A3: Environment and Natural Resources

Although the nature of the Group's office-based operations has limited impact on the environment and natural resources, we understand that we do has responsibility to minimise the negative impact of our operations on the environment during the process of achieving sustainable development. We endeavour to mitigate the environmental impact of our activities by adopting the best practices prevailed in this industry, aimed at reducing the consumption of natural resources and effectively managing emissions, so as to create long-term value for the stakeholders and communities.

The Group regularly assesses the environmental risks of its operations and takes preventive measures to minimise such risks and ensure compliance with relevant laws and regulations. The relevant environmental protection measures taken by us are specified at Aspects A1 and A2, including energy management and waste reduction.

Environmental Awareness

As an active advocate of green culture, the Group promotes the concepts of recycling, reuse and reduction use, striving to reduce environmental burden and restore the health of the natural environment. To create and maintain a healthy working environment, we have planted more trees and flowers around the office, and gradually implemented energy-saving and emission-reduction measures in our daily operations.

A4: Climate Change

The Group recognises that climate change is one of the most urgent challenges for the world today. As a responsible corporate citizen, we are committed to strengthening our resilience to climate change by identifying climate risks and formulating relevant strategies to mitigate the impact of climate change on our business. To better manage climate-related risks and opportunities, the Group has incorporated climate-related issues into its risk management framework, and conducted climate risk assessment based on the recommendations of the Task Force on Climate-Related Financial Disclosures ("**TCFD**") to identify climate-related risks and opportunities that are closely related to the Group's operations.

Physical risks

Extreme weather events such as typhoons, floods and heat waves, which are becoming more frequent and severe, may result in injuries to our employees while at work or commuting, cause structural damage to buildings, and increase the risk of power shortages, thus affecting the Group's operations and business activities. In order to better address such physical risks, the Group has put in place a business continuity plan, which is regularly reviewed and updated to ensure that normal operations can be maintained and core business functions can be properly performed in the event of any major incident.

Transition Risks

The trend towards transition to low carbon economy also poses risks to the Group. More aggressive climate policies, laws and regulations are expected to be introduced in support of carbon reduction targets, which may bring more stringent environmental regulations that expose the Group to a higher risk of claims and litigation. In addition, corporate reputation may also be adversely affected by failure to meet the climate change compliance requirements. As a company listed on the Stock Exchange, the Group will work to enhance its disclosure of climate-related information and regularly monitor the emerging climate-related trends, policies and regulations, alerting top management when necessary to avoid reputational risk due to delayed response.

EMPLOYMENT AND LABOUR PRACTICES

B1: Employment

The Group is fully aware that employees are our invaluable assets and one of the core factors to the Group's continued success. In an effort to attract and retain the best talents, the Group is committed to providing employees with comprehensive training, competitive remuneration and opportunities for development within the retail stores to help them maximise their potential and enhance their contribution to the Company. At the same time, we also attach great importance to the health, satisfaction and general well-being of our employees, and strive to create a positive working environment for them.

The Staff Handbook of the Group covers standards in respect of compensation, dismissal, recruitment, promotion, working hours, diversity, anti-discrimination, rest periods and other benefits and welfare, ensuring that the Group adheres to the principles of fairness and transparency in all these areas.

To further improve employees' satisfaction and well-being, we regularly conduct employee satisfaction surveys to evaluate their feedback on the working environment and benefits, continuously improve relevant policies, and ensure compliance with all applicable labour laws and regulations to protect the rights and interests of our employees.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations relating to employee compensation, dismissal, recruitment, promotion, working hours, rest periods, and other benefits and welfare.

As at 31 December 2024, the Group had 308 full-time employees in respect of its optical products retailing business in Malaysia and the digital RMB business in the PRC, with no part-time employee. As at 31 December 2023, the Group had 404 full-time employees in respect of its optical products retailing business in Malaysia and the digital RMB business in the PRC, with no part-time employee. Below is the breakdown of employees by gender, age group and geographic location:

	2024	2023
By gender		
Male	86	194
Female	222	210
By age group		
Age 30 or below	123	209
Age 31-50	176	190
Age 51 or above	9	5
By geographical region		
Malaysia	288	391
The PRC	20	13

Employee Turnover Rate

The turnover of staff is relatively higher in retail stores compared to the offices, given differences in job title and responsibilities. To meet this challenge, the Group aims to enhance employees' job satisfaction, attract potential talents and effectively retain existing employees by offering competitive remuneration packages combined with a comprehensive internal motivation mechanism and training programs.

During the Reporting Period, the Group recorded a turnover rate[6] of approximately 34.1% (2023: approximately 16.1%). The overall employee turnover rate[7] by gender, age group and geographical region is summarised as follows:

	2024	2023
By gender		
Male	10.71%	5.2%
Female	23.38%	10.9%
By age group		
Age 30 or below	20.45%	11.9%
Age 31-50	12.99%	3.7%
Age 51 or above	–	0.5%
By geographical region		
Malaysia	34.09%	16.1%
The PRC	–	–

Notes:

6. Overall turnover rate = total number of employees who left the Group during the reporting period over the total number of employees as at the end of the reporting period X 100%

7. Turnover rate by category = total number of employees who left the Group by category during the reporting period over total number of employees as at the end of the reporting period X 100%

General Employment Policies

The Group has formulated a holistic Human Resources Management Policy which specifies the employee recruitment processes and procedures in an aim to ensure that the core values of equal opportunities, diversity and anti-discrimination are upheld in the process of hiring.

Compensation is an important tool to attract, retain and motivate talents. We offer competitive remuneration to our employees according to their performance, experience and relevant skill set in recognition of their valuable contribution to the Group.

The Group is committed to providing employees with a competitive welfare system, including health care insurance, staff discount, festival welfare and other allowances. We advocate our employees to maintain a work-life balance, hence, we have regularly organised a range of leisure activities, such as holiday parties and annual dinners, to promote a healthy working style and enhance employees' sense of belonging.

The Group is an equal opportunities employer who endeavours to create a diverse and inclusive work environment, so as to ensure that our employees are treated with dignity and respect. The principle of equal opportunities is applied in all employment policies, in particular in recruitment, training, career development and promotion of employees. We promote fair competition and prohibits discrimination and harassment on gender, age, marital status, religion, race, nationality, disability or any status protected by law. The Group will strictly follow objective criteria such as qualifications, experience, competencies and contributions in recruitment, appointment, promotion and remuneration distribution to ensure fairness and transparency.

We offer equal promotion opportunities to all employees which serve as a motivation to continue learning and improving work performance. Through regular performance evaluation, we comprehensively assess employees' working ability, behavioral performance and development potential, and rank and adjust job positions based on the results thereof. We are committed to helping our employees fully develop their talents to achieve their personal career development goals, while supporting the business objectives of the Group. In rewards for their contributions, several incentive schemes are in place to promote employees to achieve goals of the performance hence increasing their job satisfaction.

B2: Health and Safety

The Group develops sophisticated workplace safety guidelines and implements occupational health and safety measures to ensure strict compliance with relevant laws and regulations in Malaysia and the PRC, while protecting the health and safety of its employees. When accidents do occur, it is the Group's policy to report to the relevant department in a timely manner and take necessary measures to address it. We remain committed to raising employees' awareness of health and safety standards in the workplace, improving the working environment and striving to achieve zero or minimal reportable serious work-related injury incidents.

The Group was not aware of any material non-compliance with the laws and regulations relating to health and safety that had significant impact on the Group during the Reporting Period.

Safe Working Environment Policy

The Group has developed a robust Health and Safety Policy to provide a safe working environment for all employees. We have purchased adequate insurances for all employees to ensure effective protection in the event of any work-related accident or injury, and provide comprehensive medical insurance. The management will regularly conduct an annual review of the Policy and related health and safety measures to evaluate the adequacy and sufficiency of the coverage in a way that ensures continuous improvement and complies with the latest safety standards.

During the Reporting Period, the Group has been in compliance with the laws and regulations relating to health and safety and protecting employees from occupational hazards. No work-related injuries and fatalities were recorded during the past three years, including the Reporting Period and no lost day due to these injuries were recorded during the Reporting Period.

B3: Development and Training

The Group is committed to creating a work environment where learning opportunities thrive to ensure that every employee is provided with the opportunity to grow and develop. We arrange high-quality and comprehensive trainings through various channels, including face-to-face training, department sharing and internal and external training, and continue to promote a culture of learning and sharing to ensure that employees at all levels are well-equipped to excel in work and in life.

In order to better respond to employees' needs, the Group seeks continuous improvements on the effectiveness of trainings by regular assessment. This initiative helps us to continuously improve the training programs offered at all levels, thereby improving the personal performance of employees and facilitating them to excel in their respective positions.

During the Reporting Period, a total number of 288 employees[8] were trained, of whom 27% and 73% are male and female respectively. In respect of breakdown by employee category, 15%, 23% and 62% are senior management, middle management and general staff, respectively. The total percentage[9] of employee trained is approximately 94%, with an average of 100 training hours[10] per employee. The following charts highlight the percentage of employees trained and the average training hours, by gender and employee category:

	Percentage of employees trained[11]		Average training hours[12]	
	2024	2023	2024	2023
By gender				
Male	92	98	99	101
Female	94	99	100	100
By employee category				
Senior Management	88	100	99	99
Middle Management	96	99	101	102
General staff	94	96	97	99

Notes:

8. Total number of employees trained includes employees who left the Group during the reporting period.

9. Percentage of employees trained = total number of employees trained during the reporting period over the total number of employees during the reporting period (includes employees who left the Group during the reporting period) X 100%

10. Average training hours per employee = total number of training hours over the total number of employees during the reporting period (includes employees who left the Group during the reporting period)

11. Percentage of employees trained (by category) = total number of employees trained (by category) during the reporting period over total number of employees (by category) during the reporting period (includes employees who left the Group during the reporting period) X 100%

12. Average training hours (by category) = total number of training hours (by category) over the total number of employees during the reporting period (by category) (includes employees who left the Group during the reporting period)

Apart from conducting the in-person trainings, we also were engaging the virtual training which are more convenient, effortless and it allows more staff participation without concerning about the time, date and venue of the training being conducted. In addition, the Group are granted the access to several supplier's E-Learning platforms for product development and training.

Performance Management System (the "PMS")

Since 2022, the Group has initiated the PMS with the aim to enhance the staff development and to promote the fairness and transparency within the Group. With its introduction, our staff gain a clearer understanding of their roles and responsibility in achieving their individual's key performance indicator (KPI) towards the goals of the Group as a whole. The system will continue to be adopted for staff evaluation, improvement and development, enabling them to clarify their growth direction while ensuring the fairness and consistency of performance management.

B4: Labour Standards

The Group attaches great importance to, and strictly abides by all applicable labour laws and regulations on employment in Malaysia and the PRC, including Labour Law of the People's Republic of China, Law of the People's Republic of China on Protection of Minors, Employment Law of Malaysia and Children and Junior (Employment) of Malaysia. During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to recruitment of child labour or forced labour practices that had significant impact on the Group.

Child and Forced Labour

The Group has a zero-tolerance attitude towards child labour and forced labour. During the recruitment and hiring process, we will strictly verify the applicants' personal identification to ensure that they are 16 years of age or above. We sign fair labour contracts with our employees to ensure that they are not forced to work beyond normal working hours. If any violation of this policy is found, the Group will promptly report it to the relevant departments and hold the relevant personnel accountable.

Labour Practice

For maintaining a good practice of labour standard, the Group has prepared the Employee Handbook to ensure that the rights of each employee are being treated equally and fairly. The Group will review this handbook annually to ensure that it's aligned and complied with the applicable law and regulation.

The Group maintains an open, fair and equal environment for all our employees. Employment policies in respect of compensation, working hours, overtime, performance evaluation, recruitment, reimbursement and statutory holidays are specified in the Employee Handbook. Equal opportunity and anti-discrimination policies are implemented to ensure no one is discriminated against due to gender, age, disability or ethnicity, etc. In addition, we have a Whistle Blowing Policy for any employee or relevant person to voice any grievances, file a complaint against the Group or to report on unethical and illegal behaviour. This will be described in detail in aspect B7 "Anti-corruption".

OPERATING PRACTICES

B5: Supply Chain Management

The Group understands the importance of maintaining good relationship with its suppliers to meet its immediate and long-term business goals. The Group's Procurement Policy outlines the processes and procedures in term of selection of suppliers, product planning, ordering, receiving and payment. The executive Directors are fully responsible for the overall supervision and administration of the policy while the Head of Merchandising shall ensure that the policy is being complied with. All such suppliers are subject to the practices relating to engaging suppliers.

Internal Approved List of Suppliers

Our supplier management process is the core foundation for ensuring fair supplier engagement. In engaging and retaining suppliers, we strictly follow the established selection and assessment procedures. We use a variety of assessment methods, including but not limited to on-site inspections and supplier audits, to comprehensively assess our suppliers' performance in terms of delivery efficiency, service quality and reliability, management systems and process control. This process is designed to ensure that our relationship with our suppliers remains efficient, transparent and reliable.

All suppliers being selected are required to meet the Group's internal selection criteria before being eligible to be placed on the internal approved list. All approved suppliers had been selected through the Group's procurement process to ensure the products that the Group purchases are from the brand owners or authorised suppliers and meet the approved quality standard as declared. The approved list will be reviewed at least once in a year as stated in our policy to promote good practices.

With the principles of fairness and impartiality, the Group makes comprehensive appraisals on suppliers based on factors such as suppliers' quality of the goods and services, efficiency, qualifications and experience to determine the internal approved list. To ensure the product quality of the Group, disqualified suppliers will be removed from the internal approved list.

Environmental and Social Risk Management in Supply Chain

To identify and manage the ESG (Environmental, Social and Governance) risks in the supply chain, we use a detailed assessment process to review our suppliers' environmental and social policies. The assessments cover a wide range of areas including environmental performance, occupational health and safety, human rights and ethics. To continuously monitor suppliers' ESG performance, we require suppliers to develop and submit guidelines on their environmental and social commitments and review their effectiveness annually. For designated suppliers, we also provide support to help them develop relevant policies and procedures to enhance their capabilities and performance in environmental and social responsibility in the long run. This approach helps to ensure sustainable development and duty performance in the supply chain.

In addition, the Group maintains active communication and interaction with its suppliers in its daily operation, and conducts regular discussion and exchanges with them on cooperation plans, so as to ensure that we can reach a consensus with suppliers in cooperation for the coming years. We also endeavour to integrate ESG elements into our operations to minimise our negative impact on society, natural resources and ecosystems, and share this philosophy with our suppliers, aiming to realise sustainable development by promoting joint efforts from such parties as concerned in our supply chain.

The majority of the Group's suppliers are locals so as to minimise its carbon footprint. The number of trading suppliers by product source and country/region of purchase is summarised below.

Country/region	2024	2023
Malaysia	62	70
Mainland China	20	26
Hong Kong	2	2
Japan	1	1
Singapore	–	1
South Korea	1	1
Taiwan	–	1
Philippine	1	1
Total	87	103

B6: Product Responsibility

The Group recognizes the importance of product quality and corporate reputation, and is committed to constantly improving its products and services. The Group maintains communication with its customers to ensure their needs and expectations are understood and satisfied. The Group also actively monitors the quality of its products and services through internal controls. During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations in relation to product health and safety, advertising, labelling and privacy matters that would have a significant impact on the Group.

Quality Control

With an aim to maintain good quality of product and service, the Group ensures all qualified optometrists and opticians are well trained to serve our customers in a professional manner. In addition, the Group constantly improves the customer experience and service quality by continuously upgrading existing equipment and machineries with introduction of the latest innovative technology.

Environmental, Social and Governance Report

The Group's policy clearly stipulates that all internationally branded optical products must be sourced through the brand owners or their authorised agents or suppliers to ensure that the products sold are genuine. At the same time, quality of all products must meet the required standards. The Group follows quality control procedures in a strict manner to ensure that the products sold meet the requirements. Once the products are delivered to the central warehouses or the retail stores of the Group, employees from the merchandising department or the retail stores will conduct visual inspections to ensure that none of the products are damaged and that the quantity and product type matches the purchase order details. Where products are found to be damaged or the quantity and product type do not match the purchase order details, the Group will immediately inform the relevant supplier and arrange for return or replacement.

During the Reporting Period, the Group did not have to recall any products sold or shipped due to safety and health reasons (2023: nil). In case any defective products are found that need to be recalled from customer, the Group will evaluate the affected batches and contact the relevant customer for return or replacement.

Customer Feedback

We appreciate the positive customer reviews and valuable comments but at the same time we are also highly concerned with the negative feedback and complaints from our customers, especially those which might affect the Group's overall reputation. Complaints received against the front-line retail store employees will generally be dealt with by the relevant branch manager or assistant branch manager and may be reported to the marketing department of the Group if necessary for further reviews and proposal of improvement measures. Customers may also make complaints through other channels, such as emails and social platform of the Group which will be reviewed and processed by the marketing manager. Where certain complaints are prevalent, the Group may devise additional training and guidelines for front-line employees so as to prevent recurrences of similar events and ensure constant improvement in service quality.

All personal information relating to the customer's feedback will be kept strictly confidential according to our Privacy Policy.

During the Reporting Period, the Group did not receive any material complaints or claims in relation to its products or services (2023: nil).

Data Privacy

Adhering to the principle of attaching great importance to customers' privacy, the Group has formulated a comprehensive data privacy policy and is committed to protecting the security of customers' personal information. The policy details how the Group collects, stores and uses customer data to ensure that their privacy is fully protected. All confidential information relating to the Group's business and customer data is strictly secured and restricted to internal use only. Disclosure of confidential data to any third party is strictly prohibited. To ensure the continued effectiveness of privacy protection measures, the Group reviews and updates its policies and procedures on a regular basis.

Intellectual Property

The Group is one of the largest optical products retailers in Malaysia and is committed to offering a wide range of optical products. These products cover lenses, frames, contact lenses and sunglasses from internationally renowned brands, the Group's own brands and manufactures' brands. To protect its legal interests, the Group has registered its own trademarks with the Intellectual Property Corporation of Malaysia to ensure that the rights to use the trademarks are not infringed upon by others. For optical products under both own brands and manufactures' brands, it is the Group's policy to strictly scrutinise their designs to ensure that there is no conflict of intellectual property rights with products of international brands. At the same time, the Group also requires suppliers to ensure that the optical products they provide do not infringe the intellectual property rights of others.

Advertising and Labelling

Due to the Group's business nature, the Group did not have any material advertising and labelling matters to deal with during the Reporting Period.

B7: Anti-Corruption

The Group has zero tolerance on corruption or bribery. All employees or persons representing the Group are prohibited from offering or accepting any bribes in any form, extortion, fraud, and money laundering during any course of business. The Group is committed to achieving the highest possible standards of transparency and integrity through adopting good corporate governance structure and effective anti-corruption measures which involve all levels of employees.

The Group provides anti-corruption related training or reading materials to employees and Directors at least annually. During the Reporting Period, relevant materials have been provided to Directors and employees by the Group for their self-study. For newly joined employees, the anti-corruption training will be conducted as part of their orientation.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations in relation to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, and there were no legal cases involving corruption brought against the Group or its employees.

Whistleblowing Policy

The Group facilitates whistleblowing and reporting by establishing an effective communication channel for employees to raise concerns over misconduct, malpractices or irregularities in any matters related to the Group. Any staff member who becomes aware of any suspected misconduct is encouraged to report the same to the Chairman of the Audit Committee via a written report. The Group will take immediate action to investigate the issue and adopt necessary measures to handle the same following receipt of relevant whistleblowing. The Group will also make every effort to keep the complainant's identity confidential to to protect him/her from retaliation. Any cases involving criminal offence, corruption or bribery are subject to disciplinary actions including termination of employment and are reported to the relevant law-enforcement authority.

Relevant policies and procedures regarding anti-corruption and whistleblowing will be reviewed regularly by the Group to ensure their effectiveness.

COMMUNITY

B8: Community Investment

The Group always adheres to the principle of giving back to the communities in which it operates, believing that the fulfilment of corporate social responsibility will help to form a virtuous circle that will not only contribute to the construction and development of sustainable environment, but also bring far-reaching benefits to the public. We envision a future world where all can enjoy a good life, living in harmony with nature. In order to make this vision reality, the Group keeps looking into areas that will better benefit the community as a whole in terms of providing employment opportunity, enhancing environmental awareness and performing social responsibility. In the future, we will continue to focus on community care and staff development, with the goal of promoting social progress through active participation in community activities and improving social well-being.

Social Responsibility

The Group is constantly looking for opportunities to assist and support the community by participating and supporting them with various kind of activities being held for the benefit of the public. Even through the Group was not involved directly in the events or activities but we sincerely supported them by way of sponsorship.

The sponsorships which the Group made during the Reporting Period are as follows:

- Sponsorship of about RM2,000 (approximately RMB3,304) for the operation of SEGi University;
- Sponsorship of about RM10,000 (approximately RMB16,522) for the privilege partnership program held by Malaysia Retail Chain Association;
- Sponsorship of about RM5,000 (approximately RMB8,261) for the 2024 OPTOMETRY GALA NIGHT of the SEGi University;
- Sponsorship of about RM14,000 (approximately RMB22,876) for the 2024 Private and International School Fair;
- Sponsorship of about RM2,500 (approximately RMB4,130) for Nottingham Dance Club Event 2024.

Environmental, Social and Governance Report

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Mandatory Disclosure Requirements	Section
Governance Structure	ESG Management System
Reporting Principles	Reporting Principles
Reporting Boundary	Reporting Scope

Environmental, Social and Governance Report

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIs

A. Environmental

Aspects	General Disclosure/KPIs	Index/ reference
Aspect A1: Emissions	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emission P. 52-54
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate,intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources P. 55-57
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources P. 57
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change P. 58
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

B. Social

Employment and Labour Practices

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B1: Employment	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion,working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment P. 59-62
KPI B1.1	Total workforce by gender, employment type (for example full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B2: Health and Safety	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety P. 62-63
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training P. 63-64
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards P. 64-65
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	

Operating Practices

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management P. 65-67
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmentally and social risks along with the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B6: Product Responsibility	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility P. 67-69
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B7: Anti-corruption	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption P. 69-70
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures,and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	

Community

Aspects	General Disclosure/KPIs	Index/ reference
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment P. 70-71
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns,labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

Report of the Directors

The Directors are pleased to present to the shareholders of the Company (the "**Shareholders**") their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the "**Reporting Period**").

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and the principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements. An analysis of the Group's revenue and results by principal operating segments is set out in note 4 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period and the financial positions of the Company and the Group as at 31 December 2024 are set out in the consolidated income statement on pages 100 to 215 of this annual report.

The Directors do not recommend the payment of final dividend for the Reporting Period.

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the section headed "Chairman's Statement" on page 4 and "Management Discussion and Analysis" on pages 5 to 17 of this annual report.

The above discussions form part of this directors' report.

PRINCIPAL RISKS AND UNCERTAINTY

In addition to the relevant discussion set out in the section headed "Management Discussion and Analysis" on page 12 of this annual report, the principal risks and uncertainty also include the following:

Risk associated with financial instruments of the Group

The financial risk management objectives and policies of the Group are set out in note 40 to the consolidated financial statements.

Key sources of estimation uncertainty

Details of the key sources of estimation uncertainty as at 31 December 2024 are set out in note 2 to the consolidated financial statements.

ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS

The analysis of the Group's performance for the Reporting Period with key financial performance indicators is set out under the paragraphs headed "Financial Review" and "Liquidity, Financial Resources and Capital Structure" in the section headed "Management Discussion and Analysis" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

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

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. The Group offers comprehensive compensation to its employees and provide on-the-job training to the employees. The employees' compensation is based on their qualification, position, seniority and performance. During the Reporting Period, there was no material and significant dispute between the Group and its employees, customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to long term sustainability of the environment and communities in which it operates. Acting in an environmental responsible manner, the Group endeavors to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in note 33 to the consolidated financial statements and in the consolidated statement of changes in equity on page 104 of this annual report, respectively.

Report of the Directors

MATERIAL INVESTMENT AND ACQUISITION

Save as disclosed in this annual report, the Group had no material investment and acquisition activities during the Reporting Period.

INTEREST-BEARING BORROWING

Details of the interest-bearing borrowing of the Group as at 31 December 2024 are set out in note 27 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the Reporting Period and details of the Group's property, plant and equipment are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

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

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report relating to the "Share Option Scheme", no equity-linked agreements were entered into during the Reporting Period or subsisted at the end of the Reporting Period.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has an appropriate insurance cover in respect of potential legal actions against its Directors and officers during the Reporting Period and remained in force as of the date of this annual report. The insurance coverage will be reviewed on a regular basis.

Report of the Directors

DIRECTORS

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

Executive Directors

Mr. Deng Zhihua *(Chairman)*
Mr. Chen Yongzhong[1]
Mr. Mo Mingdong[2]
Ms. Tang Tsz Yuet
Mr. Zhou Yue

Independent Non-Executive Directors

Mr. Yau Tung Shing
Mr. Gao Hongxiang
Ms. Chen Wen[3]
Ms. Jiao Jie[4]

Notes:

1: appointed on 12 July 2024

2: appointed on 14 February 2025

3: appointed on 5 August 2024

4: resigned on 5 August 2024

In accordance with Article 84(1) and 84(2) of the Articles of Association, each of Mr. Deng Zhihua and Mr. Yau Tung Shing shall retire by rotation at the forthcoming annual general meeting of the Company (the "**AGM**"). Both Mr. Deng Zhihua and Mr. Yau Tung Shing being eligible, has offered themselves for re-election at the AGM.

In accordance with Article 83(3) of the Articles of Association, Mr. Chen Yongzhong, Mr. Mo Mingdong and Ms. Chen Wen shall hold office until forthcoming AGM and being eligible, have offered themselves for re-election at the AGM.

None of the Directors offering themselves for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, none of the Directors or the chief executives of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate.

SHARE OPTION SCHEME

The Company has approved the share option scheme on 23 March 2020 (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The Share Option Scheme is designed to motivate executives and key employees and other persons who make a contribution to the Group and enable the Group to attract and retain individuals with experience and ability and to reward them for their past contributions. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Group.

(B) Participants of the Share Option Scheme

The participants of the Share Option Scheme shall be:

(1) any employee (whether full-time or part-time) of the Company, and any of the subsidiaries;

(2) any director (including executive and independent non-executive directors) of the Company and any of the subsidiaries; and

(3) any consultant, advisers of the Company and any of the subsidiaries.

(C) Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from its adoption date (i.e. 23 March 2020) (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue as at the date of the Listing. The Board may renew this limit at any time to 10% of the Shares in issue as of the date of approval by the Shareholders in general meeting.

As at 31 December 2024, there were 2,160,000 options available for grant under the Share Option Scheme, representing approximately 0.23% of the issued share capital of the Company as at 31 December 2024.

During the period from 23 March 2020, being the date of adoption of the Share Option Scheme last refreshed, and up to 31 December 2024, 47,840,000 options have been granted under the Share Option Scheme (details are set out in the Company's announcement dated 30 September 2022), and all of which have exercised during February 2023.

As at 1 January 2024 and 31 December 2024, the total number of share options available for grant under the Share Option Scheme were 2,160,000.

The total number of Shares that may be issued in respect of options granted under all schemes of the Company during the year ended 31 December 2024 divided by the weighted average number of Shares in issue for the year ended 31 December 2024 was approximately 0.27%.

(D) Maximum entitlement of each participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

Each grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their associates, resulting in the Shares issued and to be granted (including options exercised, cancelled and outstanding) to such person, in a 12-month period up to and including the date of such grant in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million, is subject to Shareholders' approval in advance in a general meeting of the Company.

(E) The period within which the Shares must be taken up under an option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(F) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(G) The amount payable an acceptance of an option and the period within which payments shall be made

A consideration of HK$1 is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date within 28 days from the date of the offer.

(H) The basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of a share on the date of grant.

(I) The remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from 15 April 2020 until 14 April 2030.

Detail of share options are set out in note 32 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2024, the Company has not been notified by any persons (other than the Directors or the chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 38 to the consolidated financial statements and in the paragraph headed "Continuing Connected Transactions", there is no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CONTRACTS OF SIGNIFICANT WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Related Party Transactions" stated in note 38 to the consolidated financial statements and in the paragraph headed "Continuing Connected Transactions", there was no contract of significance entered into between the Company, or any of its subsidiaries, and controlling Shareholders of the Company, or any of its subsidiaries, during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are disclosed in note 38 to the consolidated financial statements. During the Reporting Period, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

COMPETING INTEREST

During the Reporting Period and up to the date of this annual report, none of the Directors or their respective associates (as defined in the Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

REMUNERATION POLICY

During the Reporting Period, the remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprise salary, contribution to pension schemes and discretionary bonus related to the profit of the relevant company.

The remuneration policy of the Group is set up by the Remuneration Committee on the basis of market trends and the individuals' merit, qualifications and competence upon and after the Listing.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, made recommendations to the Board for all remuneration of the executive Directors and the senior management of the Company.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in the heading under "Share Option Scheme".

Report of the Directors

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

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in notes 9 and 10 to the consolidated financial statements.

RETIREMENT SCHEME

Particulars of the retirement schemes of the Group are set out in note 2 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association although there is no restriction against such rights under the laws in the Cayman Islands.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, revenue from the Group from the largest customer and the five largest customers combined accounted for approximately 15.4% and 46.3% of the Group's total revenue respectively. For the Reporting Period, purchase from the Group from the largest supplier and the five largest suppliers combined accounted for approximately 14.8% and 41.3% of the Group's total purchases respectively.

None of the Directors, their respective close associates nor any shareholder (who or which to the best knowledge of the Directors owns more than 5% of the issued share capital of the Company) has any interest in the top five customers and top five suppliers of the Group during the Reporting Period.

Report of the Directors

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years/period is set out on page 216 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF PROCEEDS FROM THE LISTING

Please refer to the paragraph headed "Use of Proceed" under the section "Management Discussion and Analysis" on pages 14 to 15 of this annual report.

PUBLIC FLOAT

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

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 27 June 2025 (the "**2025 AGM**") and the notice of the 2025 AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for attending the 2025 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 23 June 2025.

Report of the Directors

AUDITOR

On 28 June 2022, Grant Thornton Malaysia PLT ("**Grant Thornton**") tendered its resignation (the "**Resignation**") as one of the independent joint auditors of the Company (the "**Independent Joint Auditor(s)**"), but continued to be the local statutory auditors and component auditors in respect of the audit of the Group's Malaysia subsidiaries. Following the Resignation, Mazars CPA Limited ("**Mazars**"), being the only remaining Independent Joint Auditor, was continued to act as the auditor of the Company.

The consolidated financial statements for the year ended 31 March 2022 was audited by Mazars and Grant Thornton.

On 5 December 2022, Elite Partners CPA Limited ("**Elite Partners**") had been appointed as auditor of the Company to fill the casual vacancy following the resignation of Mazars.

The consolidated financial statements for the nine months ended 31 December 2022 and year ended 31 December 2023 were audited by Elite Partners.

On 31 October 2024, Suya WWC CPA Limited ("**Suya**") had been appointed as auditor of the Company to fill the casual vacancy following the resignation of Elite Partners. Suya will retire at the forthcoming annual general meeting of the Company ("**AGM**") and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Suya as the auditor of the Company is to be proposed at the AGM.

The consolidated financial statements for the year ended 31 December 2024 was audited by Suya.

Save for the above, there has been no other change in the auditor of the Company in any of the preceding three years.

On behalf of the Board

Zhou Yue
Executive Director
Hong Kong, 31 March 2025

Independent Auditor's Report

TO THE SHAREHOLDERS OF
MOG DIGITECH HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of MOG Digitech Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 100 to 215, which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2024, and of its financial performance and cash flows for the year ended 31 December 2024 in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by Elite Partners CPA Limited, Certified Public Accountants, who expressed an unmodified opinion on those consolidated financial statements on 27 March 2024.

Independent Auditor's Report

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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
As at 31 December 2024, the Group has a carrying amount of goodwill of approximately RMB46,522,000, representing 6% of the total assets of the Group. Management performs impairment assessment annually or when indicators of potential impairment are identified. The Group had recognised impairment loss of goodwill of approximately RMB37,556,000 for the year ended 31 December 2024. For the purpose of impairment assessment, the management assess the recoverable amount of goodwill based on the relevant cash generating units ("**CGUs**"). We had identified the impairment assessment of goodwill as a key audit matter because significant management judgements were required to determine key assumptions. The Group has engaged external valuer to assist management in determining the recoverable amount of goodwill as at 31 December 2024. Related disclosures are included in notes 20 to the consolidated financial statements.	Our key audit procedures, among others, included: (a) We discussed with management as to whether there was any indicator of impairment; (b) We obtained cash flow forecasts relating to each CGU prepared by management and approved by the directors of the Company; (c) We evaluated the competence, capabilities and objectivity of the independent valuer taking into account its experience and qualification; (d) We discussed with management and the independent external valuer engaged by the Company in relation to the methodology, basis and assumptions used in arriving at the cash flow forecasts to see whether the methodology and assumptions used were reasonable; (e) We checked, on a sample basis, the accuracy and reliance of the input data used by the independent external valuer; and (f) We also assessed the adequacy of the disclosures regarding the impairment assessment in the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the Key Audit Matter
Expected credit loss ("ECL") assessment of trade and other receivables	
As at 31 December 2024, the gross amounts of trade receivables and other receivables and their related accumulated allowances for ECL amounted to approximately RMB48,893,000, representing 6.3% of the total assets of the Group and RMB381,379,000, representing 49.3% of the total assets of the Group respectively and RMB4,543,000 and RMB19,003,000, respectively. At the end of each reporting period, the management estimates the amount of ECL for trade receivables by taking into account the historical credit loss experience and market credit loss rate and adjusted for forward-looking information of respective trade receivables. The Group's expected credit loss calculations on other receivables are based on assumptions about risk of default and loss given default. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on credit risk of the debtors or comparable companies in the market, existing market conditions as well as forward looking estimates at the end of each reporting period. The management of the Group believes that they have considered reasonable and supportable information that is relevant and available without undue cost and effort for this purpose. The Group has engaged external valuers to assist in determining the expected credit loss for trade and other receivables at the end of the reporting period. We have identified the management's ECL assessment of trade and other receivables as a key audit matter because the carrying amount of trade and other receivables was significant to the consolidated financial statements and the ECL assessment of these balances required significant judgement and involved high level of uncertainty. Related disclosures are included in notes 23 to the consolidated financial statements.	Our key audit procedures, among others, included: (a) We obtained an understanding of the Group's credit risk management and practices and assessing the Group's impairment provisioning policy in accordance with the requirements of applicable accounting standards; (b) We assessed the application of impairment methodology of ECL, and key parameters, on a sample basis; (c) We tested on a sample basis, the accuracy of ageing categories of trade and other receivables based on relevant documents; (d) We checked the calculation of ECL and adequacy of the Group's disclosures in relation to credit risk exposed by the Group in the consolidated financial statements; (e) We tested subsequent settlements of trade and other receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from the debtors subsequent to the end of reporting period; and (f) We evaluated the independent external valuer's competence, capabilities and objectivity.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our 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 IFRS Accounting Standards issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 ZHANG LINSHU.

SUYA WWC CPA Limited
Certified Public Accountants
Zhang Linshu
Practising Certificate Number: P08189

Unit 4 of the 27th Floor Wu Chung House
213 Queen's Road East
Wanchai Hong Kong

31 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	1,253,462	1,419,769
Cost of sales		(1,095,625)	(1,214,024)
Gross profit		157,837	205,745
Other income	6	8,082	11,270
Other gains	7	7,496	110
Selling and distribution costs		(107,384)	(133,436)
Administrative expenses		(72,471)	(50,988)
Provision for impairment losses on trade and other receivables		(6,682)	(16,670)
Impairment on intangible assets		(55,238)	–
Impairment on goodwill		(37,556)	(88,270)
Impairment on investment in an associate		(41,833)	–
Finance costs	8	(4,346)	(4,423)
Share of profits of associates	18	1,347	7,043
Loss before tax	8	(150,748)	(69,619)
Income tax credit/(expense)	11	8,262	(4,761)
Loss for the year		(142,486)	(74,380)
Other comprehensive income/(loss)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of the Company's financial statements to presentation currency		8,263	6,102
Fair value change of financial assets at fair value through other comprehensive income		233	(1,147)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on consolidation		2,108	(21)
Other comprehensive income for the year		10,604	4,934
Total comprehensive loss for the year		(131,882)	(69,446)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Loss for the year attributable to:			
Owners of the Company		**(143,223)**	(75,564)
Non-controlling interests		**737**	1,184
		(142,486)	(74,380)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(133,018)**	(68,364)
Non-controlling interests		**1,136**	(1,082)
		(131,882)	(69,446)
Loss per share attributable to owners of the Company			
Basic and diluted	12	**RMB(0.18)**	RMB(0.12)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Investment properties	15	1,844	1,801
Right-of-use assets	16	25,534	26,585
Property, plant and equipment	17	82,668	17,280
Investments in associates	18	73,000	113,530
Intangible assets	19	851	63,603
Goodwill	20	46,522	83,847
Financial assets at fair value through other comprehensive income	21	3,652	2,369
Other receivables	23	–	21,763
Deferred tax assets	30(a)	1,404	1,044
		235,475	331,822
Current assets			
Inventories	22	34,937	35,829
Trade and other receivables	23	406,726	212,648
Fixed deposits with licensed banks	24	36,234	26,830
Bank balances and cash	25	54,213	78,968
Tax recoverable		6,589	4,424
		538,699	358,699
Current liabilities			
Trade and other payables	26	103,148	78,341
Interest-bearing borrowings	27	17,290	12,043
Lease liabilities	28	18,225	14,933
Tax payable		2,392	11
		141,055	105,328
Net current assets		397,644	253,371
Total assets less current liabilities		633,119	585,193

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current liabilities			
Lease liabilities	28	7,581	11,826
Provisions	29	847	1,105
Deferred tax liabilities	30(b)	213	15,901
		8,641	28,832
NET ASSETS		624,478	556,361
Capital and reserves			
Share capital	31	8,368	5,771
Reserves		601,003	528,366
Equity attributable to owners of the Company		609,371	534,137
Non-controlling interests	35	15,107	22,224
TOTAL EQUITY		624,478	556,361

These consolidated financial statements on pages 100 to 215 were approved and authorised for issue by the board of directors on 31 March 2025 and signed on its behalf by:

Ms. Tang Tsz Yuet
Director

Mr. Zhou Yue
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to owners of the Company											
		Reserves										
	Share capital RMB'000 (Note 31)	Share premium RMB'000 (Note 34(a))	Capital reserve RMB'000 (Note 34(b))	Statutory reserves RMB'000 (Note 34(c))	Fair value reserve RMB'000 (Note 34(f))	Exchange reserve RMB'000 (Note 34(d))	Share option reserve RMB'000	Other reserve RMB'000 (Note 34(e))	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000 (Note 35)	Total equity RMB'000
At 1 January 2023	5,351	351,580	(10,923)	64	–	(1,958)	41,897	209	88,432	474,652	11,081	485,733
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(75,564)	(75,564)	1,184	(74,380)
Other comprehensive income/(loss)												
Item that will not be reclassified to profit or loss:												
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	–	–	6,102	–	–	–	6,102	–	6,102
Fair value change of financial assets at fair value through other comprehensive income	–	–	–	–	(1,147)	–	–	–	–	(1,147)	–	(1,147)
Item that may be reclassified subsequently to profit or loss:												
Exchange differences on consolidation	–	–	–	–	–	2,245	–	–	–	2,245	(2,266)	(21)
Total comprehensive (loss)/income for the year	–	–	–	–	(1,147)	8,347	–	–	(75,564)	(68,364)	(1,082)	(69,446)
Transactions with owners:												
Dividends	–	–	–	–	–	–	–	–	–	–	(1,003)	(1,003)
Issued shares under exercising of share options	420	169,386	–	–	–	–	(41,897)	–	–	127,909	–	127,909
Capital contribution made by the non-controlling interest	–	–	–	–	–	–	–	–	–	–	12,350	12,350
	420	169,386	–	–	–	–	(41,897)	–	–	127,909	11,347	139,256
Changes in ownership interests												
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	–	1,036	1,036
Acquisition of non-controlling interest	–	–	–	–	–	–	–	(60)	–	(60)	(158)	(218)
Total transactions with owners	420	169,386	–	–	–	–	(41,897)	(60)	–	127,849	12,225	140,074
At 31 December 2023	5,771	520,966	(10,923)	64	(1,147)	6,389	–	149	12,868	534,137	22,224	556,361

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to owners of the Company											
		Reserves										
	Share capital RMB'000 (Note 31)	Share premium RMB'000 (Note 34(a))	Capital reserve RMB'000 (Note 34(b))	Statutory reserves RMB'000 (Note 34(c))	Fair value reserve RMB'000 (Note 34(f))	Exchange reserve RMB'000 (Note 34(d))	Share option reserve RMB'000	Other reserve RMB'000 (Note 34(e))	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000 (Note 35)	Total equity RMB'000
At 1 January 2024	5,771	520,966	(10,923)	64	(1,147)	6,389	–	149	12,868	534,137	22,224	556,361
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(143,223)	(143,233)	737	(142,486)
Other comprehensive income/(loss)												
Item that will not be reclassified to profit or loss:												
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	–	–	8,263	–	–	–	8,263	–	8,263
Fair value change of financial assets at fair value through other comprehensive income	–	–	–	–	233	–	–	–	–	233	–	233
Item that may be reclassified subsequently to profit or loss:												
Exchange differences on consolidation	–	–	–	–	–	1,709	–	–	–	1,709	399	2,108
Total comprehensive income/(loss) for the year	–	–	–	–	233	9,972	–	–	(143,223)	(133,018)	1,136	(131,882)
Transactions with owners:												
Contributions and distributions												
Issuance of shares in respect of placing, net of transactions costs (Notes 31(b) and 31(c))	2,597	205,525	–	–	–	–	–	–	–	208,122	–	208,122
Dividends	–	–	–	–	–	–	–	–	–	–	(3,086)	(3,086)
	2,597	205,525	–	–	–	–	–	–	–	208,122	(3,086)	205,036
Changes in ownership interests												
Disposal of subsidiaries (Note 37)	–	–	–	–	–	–	–	–	–	–	(4,646)	(4,646)
Acquisition of NCI	–	–	–	–	–	–	–	130	–	130	(521)	(391)
Total transactions with owners	2,597	205,525	–	–	–	–	–	130	–	208,252	(8,253)	199,999
At 31 December 2024	8,368	726,491	(10,923)	64	(914)	16,361	–	279	(130,355)	609,371	15,107	624,478

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Operating activities			
Loss before tax		(150,748)	(69,619)
Adjustments for:			
Bank interest income	6	(935)	(859)
Bad debts written off	8	826	1,013
Depreciation of property, plant and equipment	17	5,926	3,854
Depreciation of investment properties	15	65	64
Depreciation of right-of-use assets	16	14,420	16,356
Amortisation of intangible assets	19	7,514	7,514
Finance costs		4,346	4,423
Gain on termination of lease		–	(23)
Gain on disposal of property, plant and equipment, net		(113)	(87)
Loss on disposal of an associate		44	59
Gain on disposal of subsidiaries	37	44	–
Provision for impairment loss on trade and other receivables		6,682	16,670
Impairment loss on goodwill	20	37,556	88,270
Impairment loss on intangible assets	19	55,238	–
Impairment loss on investment in an associate	18	41,833	–
Write down of inventories		120	185
Write-off of property, plant and equipment		208	12
Share of profits of associates		(1,347)	(7,043)
Operating cash inflows before movements in working capital		21,679	60,789
Changes in working capital:			
Inventories		(2,972)	1,678
Trade and other receivables		(187,240)	(109,866)
Trade and other payables		33,764	13,148
Provisions		(64)	(11)
Cash used in operations		(134,833)	(34,262)
Income tax paid		(8,585)	(10,632)
Net cash used in operating activities		(143,418)	(44,894)

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Investing Activities			
Interest received		935	813
Increase in fixed deposits with licensed banks		(7,447)	(7,933)
Acquisition of investment in associates		–	(106,487)
Net cash inflow on acquisition of subsidiaries	36	326	873
Net cash inflow on disposal of subsidiaries	37	2,355	–
Purchase of property, plant and equipment		(74,006)	(8,475)
Addition of right-of-use assets		–	(110)
Purchase of financial assets at fair value through other comprehensive income		(860)	(3,536)
Proceeds from disposal of an associate		–	33
Proceeds from disposal of property, plant and equipment		547	359
Net cash used in investing activities		(78,150)	(124,463)
Financing activities			
Proceeds from interest-bearing borrowings	39	17,290	54,189
Repayment of interest-bearing borrowings	39	(12,043)	(721)
Repayment of lease liabilities	39	(15,064)	(17,179)
Interest paid		(3,516)	(3,384)
Capital injection by the non-controlling interests		–	12,350
Advance from a director		–	1,050
Acquisition of non-controlling interests		(391)	(218)
Dividends paid		(3,086)	(1,003)
Proceeds from issuance of shares in respect of placing	31	208,122	–
Proceeds from issuance of shares under exercising of share options	31	–	127,909
Net cash generated from financing activities		191,312	172,993
Net (decrease)/increase in cash and cash equivalents		(30,256)	3,636
Cash and cash equivalents at the beginning of year		78,968	68,021
Effect on exchange rate changes		5,501	7,311
Cash and cash equivalents at the end of year, represented by bank balances and cash	25	54,213	78,968

Notes to the Consolidated Financial Statements

Year ended 31 December 2024

1. GENERAL INFORMATION

MOG Digitech Holdings Limited (the "**Company**", together with its subsidiaries are collectively referred to as the "**Group**") was incorporated as an exempted company with limited liability in the Cayman Islands on 4 June 2019. The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group's headquarter is situated at Room 201, 2nd Floor, Tower 2, Hengye Plaza, No. 1666 Ziyu Road, Chaoyang New City, Xihu District, Nanchang City, Jiangxi Province, the People's Republic of China (the "**PRC**"). The Company's principal place of business in Hong Kong is located at Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong with effect from 11 March 2024.

The Company is an investment holding company and its subsidiaries are principally engaged in digital payment solutions related business, e-commerce and financing services in the PRC, optical product retail, and franchise and license management in Malaysia.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation and changes in accounting policies and disclosures

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board (the "**IASB**"), which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements are presented in Renminbi ("**RMB**") and all amounts have been rounded to the nearest thousand ("**RMB'000**"), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following amendments to IFRS Accounting Standards.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Adoption of amendments to IFRS Accounting Standards

The Group has applied, for the first time, the following amendments to IFRS Accounting Standards that are relevant to the Group:

Amendments to IAS 1	Classification of Liabilities as Current or Non-Current
Amendments to IAS 1	Non-Current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for financial assets at fair value through other comprehensive income which are stated at fair value.

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

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

A summary of the principal accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Business combinations

Acquisitions of subsidiaries and businesses which are not under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

Investments in associates

An associate is an entity over which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate less any impairment loss. When the Group's share of losses of an associate exceeds the Group's investment in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the investment in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives at the annual rate as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Computers and software	20%-40%
Furniture, fixtures and office equipment	10%-20%
Optical equipment	10%-20%
Motor vehicles	10%-20%
Leasehold improvements	10%-20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Credit facility contract	10 years
IT software platform	5 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Intangible assets with finite useful lives are tested for impairments.

Financial instruments

Financial assets

Recognition and derecognition

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

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement

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

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

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

Financial assets measured at amortised cost

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets measured at amortised cost (Continued)

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks, bank balances and cash, and financial assets at fair value through other comprehensive income.

Financial liabilities

Recognition and derecognition

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

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

Classification and measurement

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

The Group's financial liabilities include trade and other payables and interest-bearing borrowing. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Measurement of ECL

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

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

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

(i) past due information

(ii) nature of instrument

(iii) industry of debtors

(iv) geographical location of debtors

(v) external credit risk ratings

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

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

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

Assessment of significant increase in credit risk

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

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Assessment of significant increase in credit risk (Continued)

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

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

Low credit risk

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

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 40 to the consolidated financial statements, the Group's other receivables, fixed deposits with licensed banks and bank balances and cash are determined to have low credit risk.

Simplified approach of ECL

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Credit-impaired financial asset

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

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

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

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

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

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

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

Write-off

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Write-off (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue from contracts with customers within IFRS 15

The Group adopts a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

2. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Nature of goods or services

The nature of the goods or services provided by the Group are digital payment solutions related business, e-commerce, financing services, optical product retail and franchise and license management.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

2. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

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

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Optical product retail, digital payment solutions related business and e-commerce are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Financing services income is recognised over the time of the respective agreements.

Franchise fee income is recognised over the time of the respective franchise agreements.

Royalty fee income is recognised at a point in time when the right to receive payment is established.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Prepaid cards service income is recognised at a point in time when the right to receive payment is established

For the prepaid cards service income, the Group implements a contractual expiry policy for all prepaid cards. The customers may not utilise all of their contractual rights within the prepayment period and these unutilised prepayments are referred to as "breakage". An expected amount of breakage is estimated by management based on the historical data of customers' utilisation and expected future utilisation pattern of the Group's prepaid cards and is recognised as revenue in proportion to the pattern of prepayments used by customers. After the recognition of revenue from prepayments provided and breakage, any residual contract liabilities at the end of the relevant service period are fully recognised as revenue in the consolidated statement of profit or loss and other comprehensive income.

Rental income

Rental income under operating leases is recognised when the properties are let out and on the straight-line basis over the lease term.

Loan interest income

Loan interest income is recognised on a time proportion basis, by reference to the principal amounts outstanding and the effective interest rates applicable.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For optical product retail, it is common for the Group to receive from the customers the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

The Group receives payments from the customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to advanced payments from customers are recognised under "Other payables".

Foreign currency translation

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 RMB and rounded to the nearest thousands unless otherwise indicated. The Company's functional currency is Hong Kong dollar ("**HK$**").

2. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

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

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.

- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.

- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets

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

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

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of other assets (Continued)

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

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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

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

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

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

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

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option).

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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

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

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

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

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

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

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

A lease modification is accounted for as a separate lease if:

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

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

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

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

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

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

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

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

The Group has applied the practical expedient provided in Amendments to IFRS 16: COVID-19-Related Rent Concessions, which has been early adopted by the Group since the year ended 31 March 2022 and does not assess whether eligible rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before June 2022; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient consistently to all eligible rent concessions with similar characteristics and in similar circumstances.

As lessor – operating leases

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Group, that is defined as:

(a) A person or a close member of that person's family is related to the Group if that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

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

(i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Segment reporting

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

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

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

(i) Useful lives of investment properties, intangible assets, property, plant and equipment and right-of-use assets

The management of the Group determines the estimated useful lives of the Group's investment properties, intangible assets, property, plant and equipment and right-of-use assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

(ii) Impairment of investment properties, goodwill, intangible assets, property, plant and equipment and right-of-use assets

The management of the Group determines whether the Group's investment properties, goodwill, intangible assets, property, plant and equipment and right-of-use assets are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the relevant assets, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the relevant assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

(iii) Allowance for inventories

The management of the Group reviews the inventory ageing analysis periodically and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for sale. The Group carries out the inventory review on a product-by-product basis and makes allowance at the end of each reporting period by reference to management's estimation of the net realisable value based on the latest market prices and current market conditions.

(iv) Impairment losses on trade and other receivables

The management of the Group estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables.

(v) Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

(vi) Provisions for restoration costs

As explained in Note 29, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective rental agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

(vii) Tax provision

The Group is subject to income tax in numerous 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. 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 provisions in the period in which such determination is made.

Critical judgement made in applying accounting policies

Determination of lease terms of contracts with renewal options

The management of the Group determines the lease term for lease contracts in which it is a lease that includes renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

3. FUTURE CHANGES IN IFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new and amendments to IFRS Accounting Standards that are not yet effective for the current financial year, which the Group has not early adopted:

		Effective for accounting periods beginning on or after
IAS 21 and IFRS 1	Lack of Exchangeability (amendments)	1 January 2025
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 (amendments)	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (amendments)	To be determined

The directors of the Company do not anticipate that the adoption of the new and amendments to IFRS Accounting Standards in future periods will have any material impact on the Group's consolidated financial statements.

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

(1) Digital payment solutions related business.

(2) Optical product retail.

(3) Franchise and license management.

(4) E-commerce.

(5) Financing services.

Segment revenue and results

Segment revenue represents revenue derived from digital payment solutions related business, optical product retail, franchise and license management, e-commence and financing services.

Segment results represent the loss before tax reported by each segment without allocation of other income and administrative expenses reported by corporate office, finance costs, impairment on goodwill, impairment on intangible assets, impairment on investment in an associate, provision for impairment losses on trade and other receivables, share of profits of associates and income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The segment information provided to the CODM of the Group for the reportable segments for the years ended 31 December 2024 and 31 December 2023 are as follows:

Year ended 31 December 2024

	Digital payment solutions related business RMB'000	Optical product retail RMB'000	Franchise and license management RMB'000	E-commerce RMB'000	Financing services RMB'000	Total RMB'000
Segment revenue	1,008,159	172,443	1,766	59,587	11,507	1,253,462
Segment results	1,990	16,391	1,766	3,129	4,685	27,961
Unallocated other income						2,939
Unallocated administrative expenses						(44,836)
Unallocated other gains						7,496
Impairment on goodwill						(37,556)
Impairment on intangible assets						(55,238)
Impairment on investment in an associate						(41,833)
Share of profits of associates						1,347
Provision for impairment losses on trade and other receivables						(6,682)
Finance costs						(4,346)
Loss before tax						(150,748)
Income tax credit						8,262
Loss for the year						(142,486)

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 December 2023

	Digital payment solutions related business RMB'000	Optical product retail RMB'000	Franchise and license management RMB'000	E-commerce RMB'000	Financing services RMB'000	Total RMB'000
Segment revenue	1,170,197	181,259	2,832	28,989	36,492	1,419,769
Segment results	4,546	17,079	2,832	(1,648)	32,288	55,097
Unallocated other income						6,568
Unallocated administrative expenses						(29,074)
Unallocated other gains						110
Impairment on goodwill						(88,270)
Share of profits of associates						7,043
Provision for impairment losses on trade and other receivables						(16,670)
Finance costs						(4,423)
Loss before tax						(69,619)
Income tax expense						(4,761)
Loss for the year						(74,380)

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 31 December 2024

	Digital payment solutions related business RMB'000	Optical product retail RMB'000	Franchise and license management RMB'000	E-commerce RMB'000	Financing services RMB'000	Unallocated RMB'000	Total RMB'000
Assets							
Reportable segment assets	226,009	161,312	9,942	82,377	67,902	226,632	774,174
Liabilities							
Reportable segment liabilities	20,560	56,159	1,148	59,948	2,392	9,489	149,696
Other segment information:							
Amortisation of intangible assets	–	–	–	310	7,204	–	7,514
Depreciation of property, plant and equipment	217	3,119	480	246	1,864	–	5,926
Depreciation of right-of-use assets	–	14,020	94	–	–	306	14,420
Depreciation of investment properties	–	–	–	–	–	65	65
Impairment on goodwill	–	–	–	9,596	27,960	–	37,556
Gain on disposal of property, plant and equipment, net	–	(113)	–	–	–	–	(113)
Impairment on investment in an associate	–	–	–	–	–	41,883	41,883
Impairment on intangible assets	–	–	–	–	–	55,238	55,238
Provision/(Reversal) for impairment losses on trade and other receivables	12,085	286	–	4,294	(10,997)	1,014	6,682
Write down of inventories	–	120	–	–	–	–	120
Write-off of property, plant and equipment	–	208	–	–	–	–	208
Additions to right-of-use assets	–	10,778	–	–	–	7,353	18,131
Additions to property, plant and equipment	5,239	3,353	641	5	–	64,768	74,006

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2023

	Digital payment solutions related business RMB'000	Optical product retail RMB'000	Franchise and license management RMB'000	E-commerce RMB'000	Financing services RMB'000	Unallocated RMB'000	Total RMB'000
Assets							
Reportable segment assets	158,510	173,705	3,955	76,885	178,316	99,150	690,521
Liabilities							
Reportable segment liabilities	6,518	68,434	1,302	31,887	15,614	10,405	134,160
Other segment information:							
Amortisation of intangible assets	–	–	–	310	7,204	–	7,514
Depreciation of property, plant and equipment	1	3,619	–	234	–	–	3,854
Depreciation of right-of-use assets	126	16,216	14	–	–	–	16,356
Depreciation of investment properties	–	–	–	–	–	64	64
Impairment on goodwill	–	–	–	31,277	56,993	–	88,270
Gain on disposal of property, plant and equipment, net	–	(87)	–	–	–	–	(87)
Provision for impairment losses on trade and other receivables	7,058	–	–	48	9,564	–	16,670
Write down of inventories	–	185	–	–	–	–	185
Write-off of property, plant and equipment	–	12	–	–	–	–	12
Additions to right-of-use assets	–	17,752	–	–	–	–	17,752
Additions to property, plant and equipment	6	6,741	1,720	77	–	–	8,544

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include investment properties, right-of-use assets, property, plant and equipment, goodwill, investment in associates, intangible assets, financial assets at fair value through other comprehensive income, inventories, trade and other receivables, fixed deposits with licensed banks and bank balances and cash. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and

- segment liabilities include trade and other payables, interest-bearing borrowing, lease liabilities and provisions. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

4. SEGMENT INFORMATION (Continued)

Geographical information

The Group's revenue is derived from its operations in the PRC and Malaysia. Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on physical location of the assets, in the case of property, plant and equipment, right-of-use assets and investment properties; based on the location of the operation, in the case of investment in associates, intangible assets, goodwill, financial assets at fair value through other comprehensive income, other receivables and deferred tax assets.

(a) Information about the Group's revenue from external customers

During the year ended 31 December 2024, out of the Group's total revenue of approximately RMB1,253,462,000 (2023: approximately RMB1,419,769,000), the revenue generated from the PRC and Malaysia contributed approximately RMB1,079,253,000 (2023: approximately RMB1,235,678,000) and approximately RMB174,209,000 (2023: approximately RMB184,091,000), representing approximately 86% (2023: approximately 87%) and approximately 14% (2023: approximately 13%) of the Group's total revenue, respectively. Included in revenue generated from the PRC, approximately RMB111,000 was generated from Hong Kong (2023: Nil).

(b) Information about the Group's non-current assets

At 31 December 2024, out of the Group's total non-current assets of approximately RMB235,475,000 (2023: approximately RMB331,822,000), the non-current assets located in the PRC and Malaysia contributed approximately RMB197,174,000 (2023: approximately RMB283,654,000) and approximately RMB38,301,000 (2023: approximately RMB48,168,000), representing approximately 84% (2023: approximately 85%) and approximately 16% (2023: approximately 15%) of the Group's total non-current assets, respectively. Included in non-current assets located in the PRC, approximately RMB71,066,000 (2023: nil) was located in Hong Kong.

4. SEGMENT INFORMATION (Continued)

Information about major customers

Details of the customers individually accounting for 10% or more of total revenue of the Group during the years ended 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Customer A (Note)	192,674	–
Customer B (Note)	160,712	192,927
Customer C (Note)	N/A*	190,239

Note:

Revenue from digital payment solutions related business.

* Contributed under 10% of total revenue for the year ended 31 December 2024.

5. REVENUE

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within IFRS 15		
Digital payment solutions related business	1,008,159	1,170,197
Optical product retail		
– To retail customers	172,396	181,212
– To franchisees	47	47
Franchise and royalty fees income	1,766	2,832
E-commerce	59,587	28,989
Financing services	11,507	36,492
	1,253,462	1,419,769
Timing of revenue recognition:		
A point in time	1,241,887	1,383,208
Over time	11,575	36,561
	1,253,462	1,419,769
Type of transaction price:		
Fixed price	1,253,462	1,415,908
Variable price	–	3,861
	1,253,462	1,419,769

The amount of revenue recognised for the year ended 31 December 2024 that was included in the contract liabilities at the beginning of the reporting period was approximately RMB4,682,000 (2023: approximately RMB4,371,000).

6. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Bank interest income	935	859
Government subsidies (Note i)	–	111
Loan interest income	435	3,733
Rental income from investment properties	231	244
Service income	48	2,065
Sponsorship income (Note ii)	2,564	1,929
Sundry income	3,869	2,329
	8,082	11,270

Notes:

i During the year ended 31 December 2024, the Group recognised government subsidies of Nil (2023: approximately RMB111,000). In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these subsidies.

ii The sponsorship income represented the income received from the suppliers of the international brands of optical products.

7. OTHER GAINS

	2024 RMB'000	2023 RMB'000
Gain on disposal of property, plant and equipment, net	113	87
Gain on termination of leases	–	23
Gain on disposal of an internally generated trademark in Malaysia	7,383	–
	7,496	110

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024 RMB'000	2023 RMB'000
Finance costs		
Interest on interest-bearing borrowings	3,512	3,384
Interest on lease liabilities	830	1,039
Interest on bank guarantee commission	4	–
	4,346	4,423
Staff costs (including directors' remuneration)		
Salaries, discretionary bonus, allowances and other benefits in kind	55,698	65,278
Contributions to defined contribution plans	4,551	5,475
	60,249	70,753
Other items		
Auditor's remuneration		
– Audit services	1,194	1,300
Cost of inventories	1,024,734	1,188,172
Amortisation of intangible assets	7,514	7,514
Depreciation of investment properties	65	64
Depreciation of property, plant and equipment	5,926	3,854
Depreciation of right-of-use assets	14,420	16,356
Impairment of goodwill	37,556	88,270
Impairment on intangible assets	55,238	–
Impairment on investment in an associate	41,833	–
Direct operating expenses arising from investment properties that generated rental income	1,737	1,729
Exchange loss, net	1,061	1,045
Gain on disposal of property, plant and equipment, net	(113)	(87)
Gain on disposal of an internally generated trademark in Malaysia	(7,383)	–
Loss on disposal of an associate	44	59
Loss on disposal of subsidiaries (Note 37)	44	–
Other rental and related expenses	1,960	6,185
Provision for impairment losses on trade and other receivables	6,682	16,670
Write down of inventories, net (included in "Cost of sales")	120	185
Write-off of property, plant and equipment	208	12
Bad debts written off	826	1,013

9. DIRECTORS' REMUNERATION

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Year ended 31 December 2024

	Notes	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Contribution to defined contribution plans RMB'000	Total RMB'000
Executive directors						
Mr. Deng Zhihua		333	–	–	–	333
Mr. Zhou Yue		333	–	–	–	333
Ms. Tang Tsz Yue		333	–	–	–	333
Mr. Chen Yongzhong	(a)	157	–	–	–	157
Independent non-executive directors						
Ms. Jiao Jie	(b)	80	–	–	–	80
Mr. Yau Tung Shing		133	–	–	–	133
Mr. Gao Hongxiang	(c)	133	–	–	–	133
Ms. Chen Wen	(d)	54	–	–	–	54
Total		1,556	–	–	–	1,556

9. DIRECTORS' REMUNERATION (Continued)

Year ended 31 December 2023

	Notes	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Contribution to defined contribution plans RMB'000	Total RMB'000
Executive directors						
Dato' Ng Kwang Hua	(e)	55	1,740	484	193	2,472
Mr. Deng Zhihua		326	–	–	–	326
Mr. Zhou Yue		326	–	–	–	326
Ms. Tang Tsz Yuet		326	–	–	–	326
Independent non-executive directors						
Ms. Jiao Jie	(b)	130	–	–	–	130
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	(e)	65	–	–	–	65
Mr. Yau Tung Shing		130	–	–	–	130
Mr. Chu Hoi Kan	(f)	98	–	–	–	98
Mr. Gao Hongxiang	(c)	39	–	–	–	39
Total		1,495	1,740	484	193	3,912

9. DIRECTORS' REMUNERATION (Continued)

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2024 and 2023.

(a) Mr. Chen Yongzhong was appointed as an executive director with effective from 12 July 2024.

(b) Ms. Jiao Jie resigned as independent non-executive director with effective from 5 August 2024.

(c) Mr. Gao Hongxiang was appointed as an independent non-executive director with effective from 13 September 2023.

(d) Ms. Chen Wen was appointed as an independent non-executive director with effective from 5 August 2024.

(e) Dato' Ng Kwang Hua and Puan Sri Datuk Seri Rohani Parkash Binti Abdullah resigned as executive director and independent non-executive director respectively with effective from 23 May 2023.

(f) Mr. Chu Hoi Kan resigned as an independent non-executive director with effective from 13 September 2023.

10. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the year ended 31 December 2024 and 2023 is as follows:

	Number of individuals	
	2024	2023
Director	1	1
Non-director	4	4
	5	5

10. FIVE HIGHEST PAID INDIVIDUALS (Continued)

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and other benefits in kind	6,974	3,982
Discretionary bonus	856	966
Contributions to defined contribution plans	717	420
	8,547	5,368

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	Number of individuals	
	2024	2023
Nil to HK$1,000,000	3	3
HK$4,000,001 to HK$4,500,000	1	1

During the years ended 31 December 2024 and 2023, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2024 and 2023.

11. INCOME TAX (CREDIT)/EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax		
PRC enterprise income tax	2,397	32
Malaysia corporate income tax	5,540	6,490
	7,937	6,522
Deferred tax		
Changes in temporary differences	(16,199)	(1,761)
Total income tax (credit)/expense for the year	(8,262)	4,761

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the years ended 31 December 2024 and 2023.

The Group's entities established in the Cayman Islands and the BVI are exempted from corporate income tax therein.

The Group's entities established in the PRC are subject to PRC enterprise income tax at a statutory rate of 25%.

Saved as disclosed below, Malaysia corporate income tax is calculated at 24% of the estimated assessable profits for the years ended 31 December 2024 and 2023.

For the year ended 31 December 2024, Malaysia incorporated entities with paid-up capital of RM2.5 million or less and having annual sales of not more than RM50 million enjoy tax rate of 17% on the first RM600,000 of the estimated assessable profits and remaining balance at tax rate of 24%.

11. INCOME TAX (CREDIT)/EXPENSE (Continued)

Reconciliation of income tax expense

A reconciliation of the tax expense applicable to loss before tax at the statutory/applicable rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2024 RMB'000	2023 RMB'000
Loss before tax	(150,748)	(69,619)
Income tax at statutory tax rate applicable in respective territories	(48,627)	(15,985)
Tax exempt revenue	(35)	(314)
Non-deductible expenses	40,975	17,893
Over-provision of tax expense in prior year	(2,070)	(60)
Over-provision of deferred tax liabilities in prior year	(479)	(33)
Tax effect of losses not recognised	1,974	3,260
Income tax (credit)/expense for the year	(8,262)	4,761

12. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following information:

	2024 RMB'000	2023 RMB'000
Loss for the year attributable to owners of the Company, used in basic and diluted loss per share calculation	143,223	75,564

	Number of shares	
	2024	2023
Weighted average number of ordinary shares for basic and diluted loss per share calculation	798,818,413	639,886,175

12. LOSS PER SHARE (Continued)

No adjustment has been made to basic loss per share as there was no dilutive potential ordinary shares of the Company outstanding during the year ended 31 December 2024 (2023: Nil).

13. DIVIDENDS

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES

Particular of the principal subsidiaries at the end of each reporting period are as follows:

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
Directly held					
MOG (BVI) Limited	The BVI, 14 June 2019	Ordinary, United States Dollar ("**USD**") 1	100%	100%	Investment holding/ The BVI
Positive Oasis Limited	The BVI, 20 August 2021	Ordinary, USD10,000	100%	100%	Investment holding/ The BVI
Create Tune Development Limited	The BVI, 7 July 2022	Ordinary, USD50,000	100%	100%	Investment holding/ The BVI

Notes to the Consolidated Financial Statements

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
Indirectly held					
App New Success Eyewear Sdn. Bhd. ("**App New Success Eyewear**")	Malaysia, 22 February 2017	Ordinary, RM100	100%	100%	Wholesaler and retailer of optical and other related products/ Malaysia
Bens Eyewear Sdn. Bhd.	Malaysia, 10 March 2015	Ordinary, RM100	59%	59%	Wholesaler and retailer of optical products/ Malaysia
Caxia Eyewear Sdn. Bhd.	Malaysia, 30 September 2015	Ordinary, RM100	70%	70%	Wholesaler and retailer of optical products/ Malaysia
Dr Optic Sdn. Bhd.	Malaysia, 20 February 2017	Ordinary, RM1,000	78%	78%	Retail sale of optical products/Malaysia
DS Optique Sdn. Bhd.	Malaysia, 5 May 2017	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/ Malaysia
E Zone Eyewear Sdn. Bhd. ("**E Zone Eyewear**")	Malaysia, 15 October 2015	Ordinary, RM100	70%	70%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Evershine Eyewear Sdn. Bhd.	Malaysia, 3 April 2014	Ordinary, RM100	71%	71%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Exon Eyewear Sdn. Bhd.	Malaysia, 26 September 2017	Ordinary, RM100	60%	60%	Retail sale of spectacles and other optical goods/Malaysia

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
Evershine Vision Care Sdn. Bhd. (formerly known as Eye Saver Sdn. Bhd.)	Malaysia, 29 June 2018	Ordinary, RM100	65%	65%	Retail sale of spectacles and other optical goods/Malaysia
Evershine Eye Care Sdn. Bhd.	Malaysia, 8 April 2021	Ordinary, RM100	51%	51%	Retail sale of spectacles and other optical goods/Malaysia
Evershine Gallery Sdn. Bhd.	Malaysia, 4 May 2021	Ordinary, RM100	52%	52%	Retail sale of spectacles and other optical goods/Malaysia
Fabulous Project Management Sdn. Bhd.	Malaysia, 21 May 2012	Ordinary, RM100,000	51%	51%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Lux Optical Sdn. Bhd.	Malaysia, 20 August 2013	Ordinary, RM100	75%	75%	Wholesaler and retailer of optical products/ Malaysia
M Optic Distribution Sdn. Bhd. (formerly known as M Optic Project & Event Sdn. Bhd.)	Malaysia, 10 March 2008	Ordinary, RM200	100%	100%	Professional event management and marketing services provider/Malaysia
Metro (SPY) Sdn. Bhd.	Malaysia, 13 June 2011	Ordinary, RM100	90%	90%	Trading in spectacle frames, lens and related eye care products/Malaysia
Metro Designer Eyewear Sdn. Bhd. (“**Metro Designer Eyewear**”) (Note d)	Malaysia, 23 June 1997	Ordinary, RM100,000 Preference, RM40,000	80%	80%	Retail sale of spectacles and other optical goods/Malaysia

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
Metro Eyewear Holdings Sdn. Bhd.	Malaysia, 28 March 1998	Ordinary, RM2,000,000	100%	100%	Wholesaler and retailer of optical products/ Malaysia
Metro RWG Sdn. Bhd.	Malaysia, 25 March 2010	Ordinary, RM100	60%	60%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Mido Eyewear Sdn. Bhd.	Malaysia, 30 January 2013	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
Modern Pride Sdn. Bhd. ("**Modern Pride**")	Malaysia, 22 March 2010	Ordinary, RM100,000	60%	60%	Wholesaler and retailer of optical products/ Malaysia
Modern Eyewear Sdn. Bhd.	Malaysia, 2 October 2020	Ordinary, RM100	55%	55%	Retail sale of spectacles and other optical goods/Malaysia
MOG (QBM) Sdn. Bhd.	Malaysia, 23 August 2011	Ordinary, RM100	70%	70%	Wholesaler and retailer of optical products/ Malaysia
MOG (TPU) Sdn. Bhd.	Malaysia, 3 August 2011	Ordinary, RM100	60%	60%	Wholesaler and retailer of optical products/ Malaysia
MOG Eyecity Sdn. Bhd.	Malaysia, 21 November 2017	Ordinary, RM100	100%	100%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	Attributable equity interest held by the Company 31 December 2023	Principal activities/ place of operation
MOG Eyewear Sdn. Bhd.	Malaysia, 19 January 2005	Ordinary, RM100,000	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
MOG Eyewear (Kempas) Sdn. Bhd.	Malaysia, 13 April 2017	Ordinary, RM100	60%	60%	Dealer and retailer of optical products/ Malaysia
MOG Eyewear Boutique Sdn. Bhd. ("**MOG Eyewear Boutique**")	Malaysia, 12 October 2007	Ordinary, RM50,000	70%	70%	Business of trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia
Mighty Optic Distribution Sdn. Bhd. (formerly known as MOG Eyewear Distribution Sdn. Bhd.)	Malaysia, 5 January 2010	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
MOG Eyewear Holdings (M) Sdn. Bhd.	Malaysia, 4 October 2001	Ordinary, RM100	100%	100%	Trading in spectacle frames, lenses and related eyes care products/Malaysia
MOG Glasses Sdn. Bhd.	Malaysia, 24 September 2020	Ordinary, RM100	100%	100%	E-commerce for optical products Malaysia
MOG (Hong Kong) Limited	Hong Kong, 15 June 2018	Ordinary, RM100	100%	100%	Investment holding/ Hong Kong
MOG Management Sdn. Bhd.	Malaysia, 6 October 2008	Ordinary, RM100,000	100%	100%	Acquire and hold franchises dealing in optical products/ Malaysia

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
MOG Optometry (HK) Sdn. Bhd.	Malaysia, 21 April 2003	Ordinary, RM100,000 Preference, RM157,500	100%	100%	Wholesaler and retailer in optical products/ Malaysia
New Success (Ekocheras) Sdn. Bhd. ("**New Success (Ekocheras)**")	Malaysia, 9 August 2018	Ordinary, RM100	80%	80%	Retail sale of spectacles and other optical goods/Malaysia
New Success Distribution Sdn. Bhd. ("**New Success Distribution**") (Note a)	Malaysia, 17 October 2014	Ordinary, RM2	50%	50%	Distributor and wholesaler of all kinds of optical products and related accessories/Malaysia
New Success Eyewear Sdn. Bhd. ("**New Success Eyewear**")	Malaysia, 10 October 2014	Ordinary, RM100	52%	52%	Retailer of optical products and related accessories/Malaysia
Optical Arts Sdn. Bhd.	Malaysia, 7 May 2008	Ordinary, RM100,000	100%	100%	Wholesaler and retailer of optical products/ Malaysia
Prestige Eyewear Sdn. Bhd.	Malaysia, 7 September 2017	Ordinary, RM100	80%	80%	Retail sale of spectacles and other optical goods/Malaysia
Pro Optic Sdn. Bhd. ("**Pro Optic**") (Note b)	Malaysia, 9 September 2011	Ordinary, RM100	50%	50%	Wholesaler and retailer of optical products/ Malaysia
Pro Optometry Sdn. Bhd.	Malaysia, 1 November 2021	Ordinary, RM100	51%	51%	Retail sale of spectacles and other optical goods/Malaysia

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
Success Optic Sdn. Bhd.	Malaysia, 3 August 2010	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/ Malaysia
Unique Eyewear Sdn. Bhd.	Malaysia, 3 November 2016	Ordinary, RM100	100%	100%	Trading in spectacle frames, lenses and related eyes care products/Malaysia
Vivo Vision Sdn. Bhd.	Malaysia, 26 August 2016	Ordinary, RM100	60%	60%	Dealer and retailer of optical products/ Malaysia
Yicoyi Company Limited ("**Yicoyi**")	Hong Kong, 14 December 2017	Ordinary, HKD1,000,000	100%	100%	Investment holding/ Hong Kong
廣東鯤鵬數科供應鏈管理有限公司 (Guangdong Kunpeng Digital Supply Chain Management Co., Ltd.*)	The PRC, 9 August 2021	Registered capital RMB6,000,000	100%	100%	Trading of electronic hardware/the PRC
廣州坤堋數字貿易有限公司 (Guangzhou Kunpeng Digital Trading Co., Ltd.*)	The PRC, 5 July 2022	Registered capital RMB6,740,000	100%	100%	Trading of electronic hardware/the PRC
Positive Oasis (Hong Kong) Limited	Hong Kong, 14 September 2021	Ordinary, HKD10,000	100%	100%	Investment holding/ Hong Kong

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company 31 December 2024	31 December 2023	Principal activities/ place of operation
深圳柏傲實業有限公司 Shenzhen Baao Industrial Co., Ltd.*	The PRC, 5 May 2022	Paid-up capital RMB5,000,000	100%	100%	Trading of electronic hardware and accounts receivable financing service/ the PRC
Create Tune (HK) Limited	Hong Kong, 22 July 2022	Ordinary, HKD10,000	100%	100%	Investment holding/ Hong Kong
江西馬力智能科技有限公司 (Jiang Xi Mali Intelligence Technology Company Limited* ("**Jiang Xi Mali**"))	The PRC, 9 August 2021	Paid-up capital, RMB10,000,000	100%	100%	E-commerce/the PRC
中保科技創新(珠海)有限公司 (Zhongbao Technology Creation (Zhuhai) Company Limited* ("**Zhongbao Tech**")) (Note c)	The PRC, 7 June 2021	Paid-up capital, RMB16,036,000	49%	49%	Provision of service to insurance companies, insurance intermediaries and other insurance participants with application of digital RMB/the PRC

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* The English names of the PRC titles are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency between the Chinese and English names, the Chinese name shall prevail.

Notes:

a. Notwithstanding the Group held only 50% equity interest in New Success Distribution, due to the fact that there is a joint venture agreement entered into for the Group to appoint majority of the board of the directors of New Success Distribution and other key management personnel of New Success Distribution and to control New Success Distribution's operation by making all significant strategic financial and operating decisions of New Success Distribution of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.), New Success Distribution is being treated as a non-wholly owned subsidiary of the Group and 50% equity interest owned by another shareholder of New Success Distribution is being treated as "non-controlling interests".

14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Notes: (Continued)

b. Notwithstanding the Group held only 50% equity interest in Pro Optic, due to the fact that there is a joint venture agreement entered into for the Group to appoint majority of the board of the directors of Pro Optic and other key management personnel of Pro Optic and to control Pro Optic's operation by making all significant strategic financial and operating decisions of Pro Optic of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.), Pro Optic is being treated as a non-wholly owned subsidiary of the Group and 50% equity interest owned by other shareholders of Pro Optic is being treated as "non-controlling interests".

c. Notwithstanding the Group held only 49% equity interest in Zhongbao Tech, due to the fact that there is an agreement entered into for the Group to appoint majority of the board of the directors of Zhongbao Tech and other key management personnel of Zhongbao Tech and to control Zhongbao Tech's operation by making all significant strategic financial and operating decisions of Zhongbao Tech of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.).

d. The maturity date for the redemption of the preference shares shall be determined by the respective subsidiary which shall subject to further changes at the subsidiaries' absolute discretion. The subsidiaries may at their absolute discretion redeem all of the redeemable preference shares at the redemption amount of RM100 per redeemable preference share on or before the maturity date. Any outstanding redeemable preference shares which are not redeemed on or before the maturity date may be redeemed by the subsidiary from the holders at the redemption amount of RM100 per redeemable preference share as may be mutually agreed by the parties at the material time.

   The holders of redeemable preference shares shall carry no right to vote at any general meeting of the subsidiaries except were permitted under law, amongst others, with regard to any proposal to wind-up the subsidiaries, during the winding-up of the subsidiaries and on any proposal that affects the rights and privileges of the redeemable preference shares holders. In any such case, the redeemable preference shares holders shall be entitled to vote together with the holders of ordinary shares and to one vote for each redeemable preference share held.

   Dividends are to be determined by the subsidiaries which shall subject to further changes at the subsidiary's absolute discretion.

   The redemption of the redeemable preference shares shall be exercised by the subsidiaries by making a request to redeem the redeemable preference shares by delivering a duly completed and signed redemption notice to the holders. The redemption notice is irrevocable upon receipt by the holders. Upon receiving the redemption notice, within 14 market days from the date of receipt by the holders, the subsidiaries shall pay such amounts due on the redemption price to the holders in accordance with the amount invested by the holders. Once redeemed, the redeemable preference shares shall not be capable of reissuance.

   The above preference shares, in aggregate amount of RM339,500 (equivalent to approximately RMB512,000), issued by subsidiaries of the Group are classified as non-controlling interests within equity in the consolidated financial statements in accordance with applicable accounting standards because they are redeemable and dividend payments are only at the subsidiaries' absolute discretion.

15. INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
Reconciliation of carrying amounts		
At the beginning of the reporting period	1,801	1,904
Depreciation	(65)	(64)
Exchange realignment	108	(39)
At the end of the reporting period	1,844	1,801
Cost	3,384	3,187
Accumulated depreciation	(1,540)	(1,386)
At the end of the reporting period	1,844	1,801
Fair value	3,432	3,233

The investment properties consist of shoplots in Malaysia with expected useful lives of 50 years.

The fair value of investment properties are under Level 3 of the three-level fair value hierarchy as defined under IFRS 13. At the end of each reporting period, the fair value of investment properties was valued by an independent professional qualified valuer, who has relevant experience in the location and category of the Group's investment properties being valued, on an open market basis by comparison approach assuming sale with the benefit of vacant possession or by making reference to comparable sale evidence as available in the relevant market. Recent sale price of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the investment properties. The most significant input into this valuation approach is the price per square feet. The fair value measurement was based on the highest and best use of the investment properties, which did not differ from their existing use.

15. INVESTMENT PROPERTIES (Continued)

The details of the lease income from operating leases are set out in Note 6 to the consolidated financial statements.

Although the risks associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks by ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

16. RIGHT-OF-USE ASSETS

	Shoplots	Motor vehicles	Leasehold improvements	Leased properties	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Reconciliation of carrying amounts – year ended 31 December 2023					
At 1 January 2023	23,702	2,054	195	564	26,515
Additions	17,234	518	–	–	17,752
Termination of leases	(199)	–	–	(438)	(637)
Depreciation	(15,655)	(561)	(14)	(126)	(16,356)
Reclassification to property, plant and equipment	–	(141)	–	–	(141)
Exchange realignment	(504)	(41)	(3)	–	(548)
At 31 December 2023	24,578	1,829	178	–	26,585
Reconciliation of carrying amounts – year ended 31 December 2024					
At 1 January 2024	**24,578**	**1,829**	**178**	**–**	**26,585**
Additions	**10,775**	**3**	**–**	**7,353**	**18,131**
Depreciation	**(13,558)**	**(542)**	**(14)**	**(306)**	**(14,420)**
Disposal of subsidiaries (note 37)	**(6,131)**	**–**	**–**	**–**	**6,131**
Exchange realignment	**1,164**	**92**	**1**	**112**	**1,369**
At 31 December 2024	**16,828**	**1,382**	**165**	**7,159**	**25,534**

16. RIGHT-OF-USE ASSETS (Continued)

	Shoplots	Motor vehicles	Leasehold improvements	Leased properties	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023					
Cost	45,628	3,071	1,048	–	49,747
Accumulated depreciation	(21,050)	(1,242)	(870)	–	(23,162)
	24,578	1,829	178	–	26,585
At 31 December 2024					
Cost	**33,524**	**3,264**	**1,152**	**7,465**	**45,405**
Accumulated depreciation	**(16,696)**	**(1,882)**	**(987)**	**(306)**	**(19,871)**
	16,828	**1,382**	**165**	**7,159**	**25,534**

The Group leases several assets including shoplots, motor vehicles, leasehold improvements and leased properties.

The leases in respect of shoplots typically run for an initial period of 1 to 3 years (2023: 1 to 3 years) and the lease term of the remaining right-of-use assets are ranging from 4 to 5 years (2023: 4 to 5 years).

At 31 December 2024, certain leases in respect of shoplots which were entered into by the Group are secured by a corporate guarantee provided by the Company (2023: secured by a corporate guarantee provided by the Company).

17. PROPERTY, PLANT AND EQUIPMENT

	Computers and software RMB'000	Furniture, fixtures and office equipment RMB'000	Optical equipment RMB'000	Motor vehicles RMB'000	Leasehold Improvements RMB'000	Total RMB'000
Reconciliation of carrying amounts – year ended 31 December 2023						
At 1 January 2023	926	4,410	5,730	518	1,434	13,018
Additions	211	4,651	1,962	–	1,720	8,544
Disposals	(11)	(5)	(115)	(141)	–	(272)
Reclassification from right-of-use assets	–	–	–	141	–	141
Written off	–	(10)	(2)	–	–	(12)
Depreciation	(369)	(1,483)	(1,332)	(157)	(513)	(3,854)
Exchange realignment	(16)	(113)	(123)	(11)	(22)	(285)
At 31 December 2023	741	7,450	6,120	350	2,619	17,280
Reconciliation of carrying amounts – year ended 31 December 2024						
At 1 January 2024	741	7,450	6,120	350	2,619	17,280
Additions	297	7,652	648	–	65,409	74,006
Disposals	(189)	(41)	(204)	–	–	(434)
Written off	(3)	(159)	(45)	–	(1)	(208)
Depreciation	(332)	(1,859)	(1,073)	(159)	(2,503)	(5,926)
Disposal of subsidiaries (Note 37)	(107)	(1,833)	(1,281)	–	(786)	(4,007)
Exchange realignment	204	345	297	16	1,095	1,957
At 31 December 2024	611	11,555	4,462	207	65,833	82,668
At 31 December 2023						
Cost	2,499	15,861	12,107	907	5,269	36,643
Accumulated depreciation	(1,758)	(8,411)	(5,987)	(557)	(2,650)	(19,363)
	741	7,450	6,120	350	2,619	17,280
At 31 December 2024						
Cost	2,458	16,936	9,435	963	69,961	99,753
Accumulated depreciation	(1,847)	(5,381)	(4,973)	(756)	(4,128)	(17,085)
	611	11,555	4,462	207	65,833	82,668

18. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Unlisted investment		
Cost of investment	106,168	106,486
Share of post-acquisition profits of associates	8,665	7,043
Exchange realignment	–	1
Accumulated impairment	(41,833)	–
	73,000	113,530

Impairment assessment

At the end of the reporting period, the Group performed impairment assessment on the Group's investments in associates in relation to those investments that have impairment indicators, after taking into account the financial performance and financial position of the associates and the unfavorable business outlook of the associates.

The Group performed the assessment of the recoverable amount (the higher of value in use and fair value less costs of disposal) of the relevant associate when there are any indicators for an impairment of an associate.

In determining the impairment assessments, the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessments. The management established the appropriate valuation techniques, key assumptions, inputs and data to the model.

For the purpose of impairment testing, the recoverable amounts for the cash generating unit were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth rates.

During the year ended 31 December 2024, the Group recognised an impairment loss of approximately RMB41,833,000 that was charged to profit or loss as described above.

18. INVESTMENTS IN ASSOCIATES (Continued)

Impairment assessment (Continued)

Particulars of the Group's associates are as follows:

Name	Particulars of issued share capital/ registered capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group 2024	2023	Principal activities
Exclusive Prestige Sdn. Bhd.	750,000	Malaysia	N/A*	27.5	Other architectural and engineering activities and related technical consultancy and construction of other engineering projects
Beijing Yuntu Digital Technology Company Limited* 北京雲圖數智科技有限公司 ("**Yuntu**")	RMB100,000,000	PRC	29	29	Provide comprehensive solutions for smart cities in PRC

The Group's shareholdings in the associates' equity shares are indirectly held by the Company through wholly-owned subsidiary.

The Group's associates are accounted for using the equity method in the consolidated financial statements.

* Exclusive Prestige Sdn. Bhd. has been disposed during the year.

18. INVESTMENT IN ASSOCIATES (Continued)

Yuntu	2024 RMB'000	2023 RMB'000
Non-current assets	209	284
Current assets	60,703	76,006
Current liabilities	(27,662)	(47,685)
Net assets	33,250	28,605
Reconciliation to the Group's investment in the associate:		
Group's share of net assets of the associate	29%	29%
Carrying amount of the investment	9,642	8,295
Goodwill	63,358	105,191
Carrying amount of the Group's investment	73,000	113,486
Revenue	20,853	56,697[1]
Profit for the period	4,645	25,235[1]
Total comprehensive income for the year/period	4,645	25,235[1]
Group's share of profit of an associate	1,347	7,318[1]

18. INVESTMENT IN ASSOCIATES (Continued)

Exclusive Prestige Sdn. Bhd.	2024 RMB'000	2023 RMB'000
Non-current assets	N/A	524
Current assets	N/A	2,010
Current liabilities	N/A	(8,143)
Net liabilities	N/A	(5,609)
Reconciliation to the Group's interest in the associate:		
Group's share of net assets of the associate	0%	27.5%
Carrying amount of the investment	N/A	(1,542)
Goodwill	N/A	1,586
Carrying amount of the Group's investment	N/A	44
Revenue	–[2]	7,050[1]
Loss for the period	(153)[2]	(1,002)[1]
Total comprehensive expense for the period	(153)[2]	(1,002)[1]
Group's share of loss of an associate	–[2]	(275)[1]

(1) From date of acquisition to 31 December 2023.

(2) From 1 January 2024 to date of disposal.

19. INTANGIBLE ASSETS

	IT software platform RMB'000	Credit facility contract RMB'000	Total RMB'000
Reconciliation of carrying amounts – year ended 31 December 2023			
At 1 January 2023	1,471	69,646	71,117
Amortisation	(310)	(7,204)	(7,514)
At 31 December 2023	1,161	62,442	63,603
Reconciliation of carrying amounts – year ended 31 December 2024			
At 1 January 2024	**1,161**	**62,442**	**63,603**
Amortisation	**(310)**	**(7,204)**	**(7,514)**
Impairment	**–**	**(55,238)**	**(55,238)**
At 31 December 2024	**851**	**–**	**851**
At 31 December 2023			
Cost	1,548	72,048	73,596
Accumulated amortisation	(387)	(9,606)	(9,993)
	1,161	62,442	63,603
At 31 December 2024			
Cost	**1,548**	**72,048**	**73,596**
Accumulated amortisation	**(697)**	**(16,810)**	**(17,507)**
Accumulated impairment	**–**	**(55,238)**	**(55,238)**
	851	**–**	**851**

The IT Software Platform and credit facility contract have finite useful life and are amortised on a straight-line basis over the terms of 5 years and 10 years respectively.

As of 31 December 2024, the credit facility contract was expired due to the financier's decision not to renew the credit facility. Accordingly, the carrying value in respect of the credit facility contract was fully impaired during the year ended 31 December 2024.

20. GOODWILL

	e-Commerce trading business RMB'000	Credit financing services RMB'000	Total RMB'000
Cost			
At 1 January 2023, at 31 December 2023 and at 1 January 2024	87,164	84,953	172,117
Addition	231	–	231
At 31 December 2024	**87,395**	**84,953**	**172,348**
Accumulated impairment			
At 1 January 2023	–	–	–
Charge for the year ended 31 December 2023	(31,277)	(56,993)	(88,270)
At 31 December 2023	**(31,277)**	**(56,993)**	**(88,270)**
Charge for the year ended 31 December 2024	**(9,596)**	**(27,960)**	**(37,556)**
At 31 December 2024	**(40,873)**	**(84,953)**	**(125,826)**
Carrying values			
At 31 December 2024	**46,522**	**–**	**46,522**
At 31 December 2023	55,887	27,960	83,847

For the purpose of impairment assessment, the goodwill and intangible assets (note 19) has been allocated to the CGU of e-Commerce trading and credit financing services.

20. GOODWILL (Continued)

The recoverable amounts of the CGUs have been determined based on value in use calculations covering a five-year budget followed by an extrapolation of expected cash flows at the growth rates approved by the directors of the Company. The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and intangible assets as at 31 December 2024 and 31 December 2023:

	2024		2023	
	e-Commerce trading business	Credit financing services	e-Commerce trading business	Credit financing services
Average growth rate within the five-year period	41.03%	0%	27.47%	3.34%
Pre-tax discount rate	13.00%	16%	14.90%	15.58%
Terminal growth rate	3.00%	3%	3.00%	3.00%

The recoverable amounts of the subsidiaries acquired subceeded their carrying values accordingly. As at 31 December 2024, approximately RMB9,596,000 and RMB27,960,000 of impairment provision have been made for the CGUs of e-commerce trading business and credit financing services, respectively (2023: approximately RMB31,277,000 and RMB56,993,000). The directors of the Group believes that any reasonably possible changes in the key estimation of the VIU calculations would not cause the carrying amounts to exceed its recoverable amounts.

For the year ended 31 December 2024 and 2023, the Group appointed an independent professional qualified valuer, to assist the management on carrying out the relevant assessment works.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Listed equity securities (note)	3,652	2,369

The above listed equity investments represent ordinary shares of an entity listed in Malaysia. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Note: The fair value measurement of these investments are classified as level 1 fair value measurement which are based on the quoted price available from the relevant stock exchanges.

22. INVENTORIES

	2024 RMB'000	2023 RMB'000
Merchandise	36,866	42,628
Less: Provision for inventories	(1,929)	(6,799)
	34,937	35,829

During the years ended 31 December 2024 and 2023, there was a decrease in the net realisable value of certain merchandise due to obsolescence and diminishing marketability as a result of changes in the market condition. Therefore, a write-down of approximately RMB120,000 (2023: approximately RMB185,000) has been recognised in profit or loss.

23. TRADE AND OTHER RECEIVABLES

	Notes	2024 RMB'000	2023 RMB'000
Trade receivables			
From third parties		48,893	68,426
Less: Impairment losses	40	(4,543)	(208)
	(a)	44,350	68,218
Other receivables			
Deposits paid		174,388	50,258
Prepayments		31,792	327
Refundable rental and other related deposits		12,926	7,980
Other receivables		55,463	10,715
Amount due from an associate		–	1,078
Acquired receivables	(b)	–	102,883
Loan receivables	(c)	106,810	14,900
Less: Impairment losses		(19,003)	(21,948)
		362,376	166,193
Less: non-current portion of			
– Acquired receivables	(b)	–	(21,763)
		362,376	144,430
		406,726	212,648

23. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The ageing of trade receivables, net of impairment losses, based on the date of delivery of goods at the end of each reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Within 30 days	23,777	62,102
31 to 60 days	5,140	941
61 to 90 days	4,802	806
91 to 120 days	885	513
121 to 360 days	8,632	1,624
Over 361 days	1,114	2,232
	44,350	68,218

At the end of each reporting period, the ageing analysis of the trade receivables, net of impairment losses, by due date is as follows:

	2024 RMB'000	2023 RMB'000
Not yet due	23,777	62,102
Past due:		
Within 30 days	5,140	941
31 to 60 days	4,802	806
61 to 90 days	885	513
91 to 120 days	8,632	1,624
Over 121 days	1,114	2,232
	20,573	6,116
	44,350	68,218

23. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The Group normally grants credit term to third parties ranges from 30 to 60 days (2023: ranges from 30 to 60 days) from the date of delivery of goods.

(b) Acquired receivables

The acquired receivables represent receivables for financing services business (net of allowance for expected credit losses) of approximately RMBNil (2023: RMB91,302,000) due from independent third parties.

(c) Loan receivables

The loan receivables had contractual maturity dates between 4 months to 8 months. The interest rates for the fixed rate loan receivables ranged from 2% per annum to 10% per annum (2023: 4% per annum). At 31 December 2024, the carrying amount of loan receivables was approximately RMB92,527,000 (2023: RMB14,508,000).

Below is the detailed breakdown of the outstanding loan receivables as of 31 December 2024:

	Outstanding receivable amount as at 31 December 2024 RMB'000	Percentage to total outstanding amount	Maturity date	Effective interest rate
Borrower A	26,320	24.64%	23 October 2025	10%
Borrower B	9,900	9.27%	17 April 2026	4.35%
Borrower C	4,700	4.40%	17 February 2025	3.45%
Borrower D	14,200	13.29%	21 November 2025	8%
Borrower E	51,690	48.39%	31 December 2026	2%
Total	106,810			

23. TRADE AND OTHER RECEIVABLES (Continued)

(c) Loan receivables (Continued)

In addition, below is the aging analysis of the outstanding loan and interest receivables.

	As at 31 December 2024 RMB'000
Not yet due	42,375
Past due	
– Within 30 days	–
– 31 to 60 days	–
– 61 to 90 days	–
– 91 to 120 days	–
– 121 to 360 days	15,177
– Over 360 days	51,690
Total	66,867
Total (Note)	109,242

Note: The total amount, including the loan principal of approximately RMB106,810,000, along with the outstanding interest receivable of approximately RMB2,432,000, where the interest receivable amount has been classified as other receivables in the financial statements.

Movements of Impairments of the Loan and Acquired Receivables

Below are the changes in the impairment of loan and acquired receivables arising from the loan receivables:

	RMB'000
Outstanding loan and acquired receivables as at 31 December 2024 (before accumulated expected credit loss ("**ECL**") allowance)	106,810
Accumulated ECL allowance	
As at 1 January 2024	11,973
Recognition of ECL for the year	2,286
As at 31 December 2024	14,259
Outstanding loan and acquired receivables as at 31 December 2024 (after accumulated expected credit loss ("**ECL**") allowance)	92,551

23. TRADE AND OTHER RECEIVABLES (Continued)

(c) Loan receivables (Continued)

Movements of Impairments of the Loan and Acquired Receivables (Continued)

The Group, based on the applicable accounting standards, applies the general approach, which is generally referred to as the "three-stage" model under the International Financial Reporting Standard 9 "Financial Instrument", in with the ECL of the loan and acquired receivables are determined based on (i) the changes in credit quality of the loan and acquired receivables since initial recognition; and (ii) the estimated expectation of an economic loss of the loan receivables under consideration.

Under the general approach, there are two measurement bases for allowance of ECL: (a) 12-month ECL, which is the ECL that results from default events that are possible within 12 months after the reporting date and are calculated as the allowance for ECL on a loan and acquired receivable weighted by the probability of default accumulated over the 12 months after the reporting date; (b) lifetime ECL, which are the ECL that result from all possible default events over the expected life of a loan and acquired receivable and are calculated as the allowance for ECL on a loan and acquired receivable weighted by the probability of default accumulated over the entire life of the loan and acquired receivable.

The allowance for ECL on loan and acquired receivables is derived from gross credit exposure, recovery rate, and probability of default. The Group uses the following ECL formula to calculate this allowance.

Expected default rate × exposure at default × (1 – recovery rate) × discount factor

For ECL assessment, the Group's loan and acquired receivables are classified as follows:

(a) Stage 1 (Performing) includes loan and acquired receivables that have not had a significant increase in credit risk since initial recognition or have low credit risk at the reporting date. For these loan and acquired receivables, 12-month ECL are recognised.

(b) Stage 2 (Underperforming) includes loan and acquired receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these loan and acquired receivables, lifetime ECL are recognised.

(c) Stage 3 (Non-performing) includes loan and acquired receivables that have objective evidence of impairment and are considered as credit-impaired financial assets at the reporting date. For these loan and acquired receivables, lifetime ECL are recognised.

As at 31 December 2024, an aggregate amount of impairment for the ECL of approximately RMB14,259,000 was recognised on loan receivables.

23. TRADE AND OTHER RECEIVABLES (Continued)

(c) Loan receivables (Continued)

Movements of Impairments of the Loan and Acquired Receivables (Continued)
The Group engaged Win Bailey Valuation and Advisory Limited as the independent professional valuer (the "**Valuer**") to assess the ECL. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Valuer and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons (as defined under the Listing Rules).

24. FIXED DEPOSITS WITH LICENSED BANKS

	2024 RMB'000	2023 RMB'000
Fixed deposits – pledged	2,433	2,229
Fixed deposits – non-pledged	33,801	24,601
	36,234	26,830

The carrying amounts of fixed deposits with licensed banks are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
RM	34,254	25,153
HK$	1,144	400
Singapore dollar ("**SGD**")	129	421
USD	707	856
	36,234	26,830

At 31 December 2024, fixed deposits with licensed banks of approximately RMB2,433,000 (2023: RMB2,229,000) are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group at 31 December 2024.

The fixed deposits with licensed banks generally have maturity periods over three months but less than one year and bearing annual interest rates ranging from 2.3% to 2.9% for the year ended 31 December 2024 (2023: 2% to 3.1%).

25. BANK BALANCES AND CASH

Cash at banks earn interest at floating rates based on daily bank deposit rates. The carrying amounts of bank balances and cash are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
RM	35,194	41,512
HK$	11,440	392
SGD	12	23
USD	71	3,544
RMB	7,496	33,497
	54,213	78,968

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

26. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables to third parties	26,019	17,986
Other payables		
Contract liabilities	21,296	4,856
Salaries and allowances payable	1,414	7,066
Accrued charges and other payables	53,529	44,748
Amounts due to minority interests of subsidiaries	890	3,685
	77,129	60,355
	103,148	78,341

The trade payables are interest-free and normal credit terms up to 180 days.

26. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Within 30 days	13,303	15,869
31 to 60 days	5,114	1,721
61 to 90 days	5,030	180
91 to 120 days	1,851	59
Over 121 days	721	157
	26,019	17,986

(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities from contracts with customers within IFRS 15 during the years ended 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the reporting period	4,856	4,574
Receipt of advance payments	21,944	4,897
Recognised as revenue	(4,682)	(4,371)
Disposal of subsidiaries (Note 37)	(818)	–
Advanced payments forfeited	(263)	(146)
Exchange realignment	259	(98)
At the end of the reporting period	21,296	4,856

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(c) Amounts due to minority interests of subsidiaries

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand.

27. INTEREST-BEARING BORROWING

At the end of each reporting period, details of the interest-bearing borrowing of the Group are as follows:

	2024 RMB'000	2023 RMB'000
Bank borrowings	17,290	12,043
	17,290	12,043

At 31 December 2024, the unsecured bank borrowings carried weighted average effective interest rate of approximately 3.94% per annum (2023: 4.12% per annum). The interest-bearing borrowings represent fixed rate borrowings.

At the end of each reporting period, details of the maturity of interest-bearing borrowing of the Group are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amounts of the above borrowing are repayable:		
Within one year	17,290	12,043
	17,290	12,043

28. LEASE LIABILITIES

	2024 RMB'000	2023 RMB'000
Analysed for reporting purposes:		
Current liabilities	18,225	14,933
Non-current liabilities	7,581	11,826
	25,806	26,759

The leases of certain premises for retail stores in Malaysia call for additional rentals, which will be based on a certain percentage of revenue of the operations being undertaken therein pursuant to the terms and conditions as stipulated in the respective tenancy agreements. As the future revenue of these retail stores could not be accurately determined as at the end of the reporting period, the relevant contingent rental has not been included. Such variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liabilities and therefore are charged to profit or loss (included in "other rental and related expenses") in the accounting period in which they are incurred.

Certain leases impose a restriction that the right-of-use assets can only be used by the Group. For leases over shoplots, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The total cash outflow for leases (including other rental and related expenses in Note 8) for the year ended 31 December 2024 was approximately RMB17,024,000 (2023: approximately RMB23,364,000).

28. LEASE LIABILITIES (Continued)

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Amounts payable:				
Within one year	18,795	15,720	18,225	14,933
More than one year, but not exceeding two years	6,658	8,659	6,473	8,359
More than two years, but not exceeding five years	1,127	3,567	1,108	3,467
	26,580	27,946		
Future finance charges	(774)	(1,187)		
Present value of lease liabilities	25,806	26,759	25,806	26,759
Less: Amounts due for settlement within 12 months			(18,225)	(14,933)
Amounts due for settlement after 12 months			7,581	11,826

At 31 December 2024, the weighted average effective interest rate for the lease liabilities of the Group was approximately 3.41% (2023: approximately 3.56%) per annum.

29. PROVISIONS

The movements of provisions were as follows:

	2024 RMB'000	2023 RMB'000
Provisions for restoration costs:		
At the beginning of the reporting year	1,105	1,070
Additional provisions	25	70
Closure of outlet	–	(11)
Reversal of provisions for restoration costs	(63)	–
Disposal of subsidiaries (Note 37)	(276)	–
Exchange realignment	56	(24)
At the end of the reporting year	847	1,105

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for restoration costs is estimated based on certain assumptions and estimates made by the Group's management with reference to historical restoration costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

30. DEFERRED TAXATION

(a) The deferred tax assets are made up of the following:

	2024 RMB'000	2023 RMB'000
At the beginning of the reporting period	1,044	1,247
Charge to profit or loss	511	(117)
Disposal of subsidiaries (Note 37)	(226)	–
Exchange realignment	75	(86)
At the end of the reporting period	1,404	1,044

The movements in the Group's deferred tax assets for the reporting period were as follows:

	Accrued revenue and costs RMB'000	Capital Allowance RMB'000	Accelerated tax depreciation RMB'000	Total RMB'000
At 1 January 2023	1,848	24	(625)	1,247
Income tax credit/(charge)	11	14	(142)	(117)
Exchange realignment	(136)	(4)	54	(86)
At 31 December 2023 and 1 January 2024	1,723	34	(713)	1,044
Income tax credit	265	50	196	511
Disposal of subsidiaries (Note 37)	(217)	(44)	35	(226)
Exchange realignment	218	13	(156)	75
At 31 December 2024	1,989	53	(638)	1,404

30. DEFERRED TAXATION (Continued)

(b) The deferred tax liabilities are made up of the following:

	2024 RMB'000	2023 RMB'000
At the beginning of the reporting period	15,901	17,779
Credit to profit or loss	(15,688)	(1,878)
At the end of the reporting period	213	15,901

The movements in the Group's deferred tax liabilities for the reporting period were as follows:

	Amortisation allowance in excess of related intangible assets RMB'000
At 1 January 2023	17,779
Income tax credit	(1,878)
At 31 December 2023 and 1 January 2024	15,901
Income tax credit	(15,688)
At 31 December 2024	213

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profit is probable. The Group did not recognise tax losses amounting to RMB70,499,000 (2023: RMB70,005,000) that can be carried forward against future taxable profit due to the unpredictability of further profit streams. These tax losses will expire from 2025 to 2029 (2023: 2024 to 2028).

31. SHARE CAPITAL

	Number of shares	HK$	Equivalent to RMB'000
Authorised:			
Ordinary share of HK$0.01 each			
At 1 January 2023, 31 December 2023 and 31 December 2024	**2,000,000,000**	**20,000,000**	**18,232**
Issued and fully paid:			
At 1 January 2023	598,992,805	5,989,928	5,351
Shares issued under exercising of share options (note a)	47,840,000	478,400	420
At 31 December 2023	646,832,805	6,468,328	5,771
Shares issued by the way of placing (note b)	129,366,561	1,293,665	1,191
Shares issued by the way of placing (note c)	155,230,000	1,552,300	1,406
At 31 December 2024	**931,429,366**	**9,314,293**	**8,368**

Notes:

(a) On 23 February 2023, 47,840,000 share options were exercised to subscribe for 47,840,000 ordinary shares of the Company at a consideration of approximately HK$145,816,000 (equivalent to approximately RMB127,909,000) of which approximately HK$478,000 (equivalent to approximately RMB420,000) was credited to the share capital and the balance of approximately HK$145,338,000 (equivalent to approximately RMB127,489,000) was credited to the share premium account. Amount of HK$48,976,000 (equivalent to RMB41,897,000) has been transferred from share option reserve to the share premium account.

(b) On 14 February 2024, the Company allotted and issued 129,366,561 shares by way of placing at HK$1.14 each. Proceeds of approximately HK$147,478,000 (equivalent to approximately RMB135,705,000) were received and the related transaction costs of approximately HK$1,475,000 (equivalent to approximately RMB1,357,000) were netted off with the proceeds. Approximately HK$1,294,000 (equivalent to RMB1,191,000) was credited to share capital and the balance of approximately HK$144,709,000 (equivalent to approximately RMB133,157,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.

(c) On 3 October 2024, the Company allotted and issued 155,230,000 shares by way of placing at HK$0.53 each. Proceeds of approximately HK$82,272,000 (equivalent to approximately RMB74,519,000) were received and the related transaction costs of approximately HK$823,000 (equivalent to approximately RMB745,000) were netted off with the proceeds. Approximately HK$1,552,000 (equivalent to RMB1,406,000) was credited to share capital and the balance of approximately HK$79,897,000 (equivalent to approximately RMB72,368,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.

32. SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 23 March 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

At 30 September 2022, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 47,840,000, representing 8.0% the shares of the Company in issue at that date. At 23 February 2023, all 47,840,000 share options were exercised to subscribe for 47,840,000 ordinary shares of the Company.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 10 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and vests immediately and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

32. SHARE OPTION SCHEME (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Detail of share options outstanding during the year ended 31 December 2023 are as follows:

Name	Date of grant	Exercisable period	Exercise price	Outstanding as at 1 January 2023	Exercise during the year	Outstanding as at 31 December 2023
Employee	30 September 2022	30 September 2022 – 29 September 2024	HK$3.048	47,840,000	(47,840,000)	–
Exercisable at the end of the period				47,840,000		–

No share option was granted during the year ended 31 December 2024.

All the share options were exercised during the year ended 31 December 2023.

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movement in its reserves is set out below:

	Notes	2024 RMB'000	2023 RMB'000
Non-current asset			
Investment in a subsidiary		146,515	80,384
Current assets			
Amounts due from subsidiaries	(a)	412,559	413,051
Bank balances and cash		1,030	47
		413,589	413,098
Current liabilities			
Accruals		7,481	4,331
Amounts due to subsidiaries	(a)	743	–
		8,224	4,331
Net current assets		405,365	408,767
NET ASSETS		551,880	489,151
Capital and reserves			
Share capital	31	8,368	5,771
Reserves	(b)	543,512	483,380
TOTAL EQUITY		551,880	489,151

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 31 March 2025 and signed on its behalf by

Ms. Tang Tsz Yuet
Director

Mr. Zhou Yue
Director

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Amounts due from/to subsidiaries

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

(b) Movement of reserves of the Company

	Share premium RMB'000	Exchange reserve RMB'000	Share option reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 1 January 2023	351,580	3,062	41,897	(46,865)	349,674
Loss for the year	–	–	–	(3,313)	(3,313)
Other comprehensive income:					
Exchange differences on translation of the Company's financial statements to presentation currency	–	9,530	–	–	9,530
Total comprehensive income/(loss) for the year	–	9,530	–	(3,313)	6,217
Transactions with owners:					
Issued shares under exercising of share options	169,386	–	(41,897)	–	127,489
Total transactions with owners	169,386	–	(41,897)	–	127,489
At 31 December 2023	520,966	12,592	–	(50,178)	483,380

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(b) Movement of reserves of the Company (Continued)

	Share premium RMB'000	Exchange reserve RMB'000	Share option reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 1 January 2024	520,966	12,592	–	(50,178)	483,380
Loss for the year	–	–	–	(165,728)	(165,728)
Other comprehensive income:					
Exchange differences on translation of the Company's financial statements to presentation currency	–	20,335	–	–	20,335
Total comprehensive income/(loss) for the year	–	20,335	–	(165,728)	(145,393)
Transactions with owners:					
Issuance of shares in respect of placing, net of transaction costs	205,525	–	–	–	205,525
Total transactions with owners	205,525	–	–	–	205,525
At 31 December 2024	726,491	32,927	–	(215,906)	543,512

34. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

34. RESERVES (Continued)

(b) Capital reserve

The capital reserve represents the aggregate amount of the nominal value of the issued/paid-up capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any), after adjusting the issued/paid-up capital held by those attributable to the non-controlling interests prior to the Reorganisation.

(c) Statutory reserve

Statutory reserve is required to be appropriated from profit after income tax of the entity established in the PRC, determined in accordance with the relevant laws and regulations in the PRC. Allocation to the statutory reserve shall be approved by the board of directors of the PRC entity. The appropriation to statutory reserve may cease if the balance of the statutory reserve has reached 50% of the registered capital of the PRC entity. The statutory reserve can be used to make up for losses, expand the existing operation or for conversion into capital. The PRC entity may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert the statutory reserve into capital in proportion to the then existing shareholdings. However, when converting the statutory reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of that entity.

(d) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation and the translation of the Company's financial statements to presentation currency.

(e) Other reserve

The other reserve comprises the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid/received arising from the changes in ownership interests in subsidiaries that do not result in a loss of control.

(f) Fair value reserve

The fair value reserve represents cumulative gains and losses arising from revaluation of equity instruments at fair value through other comprehensive income ("**FVTOCI**") that have been recognised in other comprehensive income. Gains and losses arising from revaluation of equity instruments at FVTOCI will not be reclassified to profit or loss in subsequent periods.

35. NON-CONTROLLING INTERESTS

The following table shows the information relating to non-wholly owned subsidiaries that have material non-controlling interests ("**NCI**") during the year ended 31 December 2024 and 2023. The summarised financial information represents amounts before inter-company eliminations.

For the year ended 31 December 2024

	華喻數融科技（廣東）有限公司
At 31 December 2024	
Proportion of NCI's ownership interests	50%
	RMB'000
Current assets	19,879
Non-current assets	–
Current liabilities	–*
Non-current liabilities	–
Net assets	19,879
Carrying amount of NCI	9,940
Year ended 31 December 2024	
Revenue	–
Other income	142
Expenses	(15)
Profit and total comprehensive income	127
Total comprehensive income attributable to NCI	64
Dividends paid to NCI	–
Net cash flows used in:	
Operating activities	(15)
Investing activities	–
Financing activities	142

* represent amount less than RMB1,000.

35. NON-CONTROLLING INTERESTS (Continued)

	華喻數融科技（廣東）有限公司	New Success Eyewear Group (Note)
At 31 December 2023		
Proportion of NCI's ownership interests	50%	48%
	RMB'000	RMB'000
Current assets	19,752	6,711
Non-current assets	–	7,914
Current liabilities	–*	(6,291)
Non-current liabilities	–	(3,269)
Net assets	19,752	5,065
Carrying amount of NCI	9,876	2,581
Year ended 31 December 2023		
Revenue	–	18,582
Other income	5	380
Expenses	(3)	(17,880)
Profit and total comprehensive income	2	1,082
Total comprehensive income attributable to NCI	1	573
Dividends paid to NCI	–	(147)
Net cash flows (used in)/generated from:		
Operating activities	(3)	1,878
Investing activities	–	(1,703)
Financing activities	5	(1,383)

* represent amount less than RMB1,000.

Note: New Success Eyewear Group had been disposed of during the year ended 31 December 2024.

36. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2024

Acquisition of Azure Sea Global Limited

On 8 July 2024, the Company entered into a sale and purchase agreement with an independent third party for the acquisition of the entire share capital of Azure Sea Global Limited ("**Azure**") at a consideration of HK$350,000 (equivalent to RMB329,000). The principal activities of Azure is engaged in financing services in Hong Kong.

The identifiable assets acquired and liabilities assumed of Azure Sea at the date of acquisition were as follow:

	RMB'000
Other receivables	10
Bank balance and cash	655
Accruals and other payables	(567)
Total identifiable net assets	98
Goodwill	231
Total consideration paid	329
Net cash inflow from acquisition of subsidiary	326

Azure contributed approximately RMB111,000 and RMB33,000 to the Group's revenue and the Group's profit for the year respectively for the period between the date of acquisition and 31 December 2024.

For the year ended 31 December 2023

Acquisition of 中保科技創新（珠海）有限公司 ("Zhongbao Technology Creation (Zhuhai) Company Limited")

On 10 March 2023, the Company entered into capital injection agreement with Zhongbao Tech pursuant to which the Company agreed to inject cash of RMB24,500,000 into Zhongbao Tech, representing 49% registered capital of in Zhongbao Tech. The transaction was completed on 14 March 2023.

Zhongbao Tech is engaged in the provision of service to provide insurance companies, insurance intermediaries and other insurance participants with safe and efficient solutions for application of digital Renminbi in PRC.

36. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2023 (Continued)

Acquisition of 中保科技創新（珠海）有限公司 ("Zhongbao Technology Creation (Zhuhai) Company Limited") (Continued)

As the Group has irrevocable right to appoint three directors of Zhongbao Tech's board of directors out of a total five directors. In the view of the Group, the Group can direct all the relevant financing and operating decisions relating to daily activities of Zhongbao Tech by simple majority votes. Accordingly, Zhongbao Tech is classified as a subsidiary of the Group.

The directors believe that the acquisition of Zhongbao Tech will complement the Group's new business strategy which involves a digital Renminbi in PRC and would facilitate better implementation of the strategies of the Company which is to expand its development in the digital payment solutions related business in the PRC market.

The identifiable assets acquired and liabilities assumed of the Zhongbao Tech at the date of acquisition were as follows.

	14 March 2023 RMB'000
Prepayments, deposits and other receivables	49,127
Bank balance and cash	873
Total identifiable net assets	50,000
Less: non-controlling interests	(25,500)
Total consideration	24,500
Net cash inflow from acquisition of subsidiary	873

37. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2024, a directly wholly-owned subsidiary of the Company – Metro Eyewear Holdings Sdn Bhd and an independent third party entered into the sales and purchases agreement, to disposal of certain subsidiaries with its equity interests ranged from 50% to 64% which were engaged in wholesale and retail of optical products and related accessories in Malaysia, at a consideration of RMB5,475,000.

The disposal of subsidiaries was completed during the year.

37. DISPOSAL OF SUBSIDIARIES (Continued)

The carrying value of the net assets of the subsidiaries, approximate to its fair value at the date of disposal were as follows:

	RMB'000
Non-Current Assets	
Property, plant and equipment	4,007
Right-of-use assets	6,131
Deferred tax assets	226
Current Assets	
Inventories	5,762
Trade receivables and other receivables	8,645
Tax recoverable	605
Bank balances and cash	3,120
Current Liabilities	
Trade payables and other payables	(11,784)
Provisions	(276)
Lease liabilities	(6,271)
Net assets disposed of	10,165
Less: Non-controlling interests	(4,646)
	5,519
Analysis of gain on disposal of subsidiaries:	
Cash consideration received	5,475
Net assets and non-controlling interests disposed of	(5,519)
Loss on disposal of subsidiaries	(44)
Analysis of bank balances and cash in respect of the disposal:	
Cash consideration	5,475
Less: Bank balances and cash disposed of	(3,120)
Net cash inflow on disposal of subsidiaries	2,355

38. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 31 December 2024 and 2023, further information of the related party transactions is set out below.

(a) Related party transactions of the Group:

Name of the related party	Nature of transaction	2024 RMB'000	2023 RMB'000
Dato' Ng Kwang Hua and Dato' Ng Chin Kee	Rental expenses	20	112

Note:

Dato' Ng Kwang Hua is the shareholder of the Company and has significant influence over the company.

(b) Remuneration for key management personnel (including directors) of the Group:

	2024 RMB'000	2023 RMB'000
Salaries, discretionary bonus, allowances and other benefits in kind	9,786	11,914
Contributions to defined contribution plan	762	919
	10,548	12,833

Further details of the directors' remuneration are set out in Note 9.

39. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 December 2024, the Group entered into certain lease arrangements in respect of leased assets with capital value at the inception of leases of approximately RMB18,131,000 (year ended 31 December 2023: approximately RMB17,642,000).

(b) Reconciliation of liabilities arising from financing activities

The movements during the year ended 31 December 2024 and 2023 in the Group's liabilities arising from financing activities are as follows:

			Non-cash changes				
	At 1 January 2024 RMB'000	Net cash flows RMB'000	Additions RMB'000	Disposal of subsidiaries (Note 37) RMB'000	Interest expense RMB'000	Exchange realignment RMB'000	At 31 December 2024 RMB'000
Year ended 31 December 2024							
Interest-bearing borrowing	12,043	5,247	–	–	–	–	17,290
Lease liabilities	26,759	(15,064)	18,131	(6,271)	830	1,421	25,806
Total liabilities from financing activities	38,802	(9,817)	18,131	(6,271)	830	1,421	43,096

			Non-cash changes					
	At 1 January 2023 RMB'000	Net cash flows RMB'000	Additions RMB'000	Termination of lease RMB'000	Interest expense RMB'000	Exchange realignment RMB'000	Set-off with loan receivables RMB'000	At 31 December 2023 RMB'000
Year ended 31 December 2023								
Interest-bearing borrowing	721	53,468	–	–	–	43	(42,189)	12,043
Lease liabilities	26,467	(17,179)	17,642	(660)	1,039	(550)	–	26,759
Total liabilities from financing activities	27,188	36,289	17,642	(660)	1,039	(507)	(42,189)	38,802

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise trade and other receivables, fixed deposits with licenced banks, bank balances and cash, financial assets at fair value through other comprehensive income, trade and other payables, interest-bearing borrowing and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Interest rate risk

The Group's interest-bearing borrowing and lease liabilities issued at fixed rates expose the Group to fair value interest-rate risk.

Foreign currency risk

The Group's transactions are mainly denominated in RMB, RM and HK$.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities (i.e. RMB) and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

	Financial assets		Financial liabilities	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
HK$	143,925	31,364	27,038	7,631
RM	69,433	87,971	36,015	63,581
USD	793	4,400	9	144
SGD	141	444	–	–

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

	31 December 2024		31 December 2023	
	Increase (decrease) in foreign exchange rates	Effect on loss before tax RMB'000	Increase (decrease) in foreign exchange rates	Effect on loss before tax RMB'000
HK$	10%	11,689	10%	2,373
	(10%)	(11,689)	(10%)	(2,373)
RM	10%	3,342	10%	2,439
	(10%)	(3,342)	(10%)	(2,439)
USD	10%	78	10%	426
	(10%)	(78)	(10%)	(426)
SGD	10%	14	10%	44
	(10%)	(14)	(10%)	(44)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 December 2024 and 2023.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The carrying amount of financial assets recognised on the consolidated financial statements, which is net of loss allowances, represents the Group's exposure to credit risk on these financial assets without taking into account the credit enhancements.

	2024 RMB'000	2023 RMB'000
Trade and other receivables	374,934	234,084
Fixed deposits with licensed banks	36,234	26,830
Bank balances and cash	54,213	78,968
	465,381	339,882

Trade receivables from third parties

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtor balances are monitored on an ongoing basis and the Group's exposure to bad debts is being managed.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer as well as the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

At 31 December 2024, the Group had a concentration of credit risk as approximately 41% (2023: approximately 85%) of the total trade receivables was due from the Group's largest trade debtor, and approximately 54% (2023: approximately 94%) of the total trade receivables was due from the Group's five largest trade debtors. The Group manages the concentration of credit risk by broadening the customer base of the Group.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

The Group's customer base consists of a wide range of customers and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises loss allowances based on lifetime ECL at each reporting date. The management estimated the expected credit losses taking into account the historical credit loss experience and market credit loss rate, adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 December 2024 and 2023.

The information about the exposure to credit risk and ECL for trade receivables at 31 December 2024 and 2023 is summarised as follows:

At 31 December 2024

	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Not past due	0.98%	24,013	236
Within 30 days past due	3.24%	5,312	172
31 to 60 days past due	4.80%	5,044	242
61 to 90 days past due	6.35%	945	60
91 to 120 days past due	18.81%	10,632	2,000
121 to 360 days past due	62.20%	2,947	1,833
		48,893	4,543

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

At 31 December 2023

	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Not past due	0.25%	62,255	153
Within 30 days past due	0.21%	943	2
31 to 60 days past due	0.25%	808	2
61 to 90 days past due	0.39%	515	2
91 to 120 days past due	0.79%	1,637	13
121 to 360 days past due	1.59%	2,268	36
		68,426	208

The Group does not hold any collateral over trade receivables at 31 December 2024 and 2023.

During the year ended 31 December 2024, the Group recognised loss allowance of approximately RMB4,335,000 (2023: RMB143,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year ended 31 December 2024 and 2023 is summarised below.

	2024 RMB'000	2023 RMB'000
Balance at the beginning of the reporting period	208	65
Increase in allowance	4,335	143
Balance at the end of the reporting period	4,543	208

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Other receivables

The management of the Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables is measured on 12-month ECL. In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past years and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 December 2024 and 2023.

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

The movement in the loss allowance for expected credit losses relating to other receivables are set out as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the reporting period	21,948	5,421
Increase in allowance	2,347	16,527
Impairment reversal	(5,292)	–
At the end of the reporting period	19,003	21,948

Fixed deposits with licensed banks and bank balances and cash

The management of the Group considers the credit risk in respect of fixed deposits with licensed banks and bank balances and cash is minimal because the counterparties are authorised financial institutions with high credit ratings.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2024 and 2023. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Life times ECLs		Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	–	48,893	48,893
Deposits paid	174,328	60	–	–	174,388
Refundable rental and other related deposits	12,926	–	–	–	12,926
Other receivables	46,710	8,753	–	–	55,463
Loan receivables	18,900	87,910	–	–	106,810
Fixed deposits with licensed banks	36,234	–	–	–	36,234
Bank balances and cash	54,213	–	–	–	54,213
	343,311	96,723	–	48,893	488,927

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2023

	12-month ECLs	Life times ECLs		Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	–	68,426	68,426
Deposits paid	29,000	21,258	–	–	50,258
Refundable rental and other related deposits	7,980	–	–	–	7,980
Other receivables	10,631	84	–	–	10,715
Amount due from an associate	1,078	–	–	–	1,078
Acquired receivables	–	102,883	–	–	102,883
Loan receivables	–	14,900	–	–	14,900
Fixed deposits with licensed banks	26,830	–	–	–	26,830
Bank balances and cash	78,968	–	–	–	78,968
	154,487	139,125	–	68,426	362,038

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amount	Total contractual undiscounted cash flow	On demand or less than 1 year	1 to 2 years	2 to 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024					
Trade and other payables	**81,852**	**81,852**	**81,852**	**–**	**–**
Interest-bearing borrowings	**17,290**	**17,642**	**17,642**	**–**	**–**
Lease liabilities	**25,806**	**26,580**	**18,795**	**6,658**	**1,127**
	124,948	**126,074**	**118,289**	**6,658**	**1,127**
At 31 December 2023					
Trade and other payables	73,485	73,485	73,485	–	–
Interest-bearing borrowings	12,043	12,358	12,358	–	–
Lease liabilities	26,758	27,945	15,720	8,659	3,566
	112,286	113,788	101,563	8,659	3,566

41. FAIR VALUE MEASUREMENTS

All financial assets and liabilities are carried at amounts not materially different from their fair values at the end of each reporting period.

Information about the Group's fair values of investment properties and financial assets at fair value through other comprehensive income under Level 3 and Level 1 of the three-level fair value hierarchy as defined under IFRS 13 is set out in Note 15 and Note 21, respectively.

42. COMMITMENTS

Commitments under operating leases

The Group as lessor

The Group leases out its investment properties under operating leases with average lease terms of three years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	228	251
Over one year	–	228
	228	479

43. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners of the Company. The Group manages its capital structure and makes adjustments, including payment of dividend, call for additional capital from equity owners of the Company or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

44. EVENTS AFTER THE REPORTING PERIOD

Issue and allotment of shares

On 11 December 2024, the Company entered into a subscription agreement with Valiant Warrior Limited ("**Valiant Warrior**") in relation to the subscription of 212,121,212 new shares of the Company at a subscription price of HK$0.99 per share.

On 12 February 2025, the Company issued and allotted 212,121,212 new shares to the nominees of Valiant Warrior and received the proceeds of approximately HK$210 million. After deducting the related expenses, the net proceeds are approximately HK$209.88 million. Number of shares increased from 931,429,366 shares to 1,143,550,578 shares immediately after the completion.

Financial Summary

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years/period. The financial information for the years ended 31 March 2021 and 2022, the nine months ended 31 December 2022, the years ended 31 December 2023 and 2024 are extracted from the consolidated financial statement in the respective annual reports.

	Years ended 31 March		Nine months ended 31 December	Years ended 31 December	
	2021	2022	2022	2023	2024
	RM'000	RMB'000 (restated)	RMB'000	RMB'000	RMB'000
Revenue	99,223	349,803	550,032	1,419,769	1,253,462
Profit/(loss) before tax	17,481	26,433	(14,035)	(69,619)	(150,748)
Income tax (expense)/credit	(5,227)	(7,533)	(9,444)	(4,761)	8,262
Profit/(loss) for the year/period	12,254	18,900	(23,479)	(74,380)	(142,486)
Profit/(loss) for the year/period attributable to:					
Owners of the Company	9,922	15,294	(27,856)	(75,564)	(143,223)
Non-controlling interests	2,332	3,606	4,377	1,184	737
	12,254	18,900	(23,479)	(74,380)	(142,486)

	Years ended 31 March		Nine months ended 31 December	Years ended 31 December	
	2021	2022	2022	2023	2024
	RMB'000 (restated)	RMB'000 (restated)	RMB'000	RMB'000	RMB'000
Assets and Liabilities					
Total assets	261,091	479,100	596,719	690,521	774,174
Total liabilities	(61,163)	(281,770)	(110,986)	(134,160)	(149,696)
	199,928	197,330	485,733	556,361	624,478
Equity attributable to:					
Owners of the Company	189,962	188,085	474,652	534,137	609,371
Non-controlling interests	9,966	9,245	11,081	22,224	15,107
	199,928	197,330	485,733	556,361	624,478