Powerwin

力盟科技集團有限公司

Powerwin Tech Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock code: 2405

2024
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Li Xiang (李翔)
Ms. Yu Lu (余璐)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhao Yan (趙焱)
Mr. Gong Peiyue (公佩鉞)
Mr. Li Kwok Tai James (李國泰)

AUDIT COMMITTEE

Mr. Li Kwok Tai James (李國泰) *(Chairman)*
Ms. Zhao Yan (趙焱)
Mr. Gong Peiyue (公佩鉞)

REMUNERATION COMMITTEE

Mr. Gong Peiyue (公佩鉞) *(Chairman)*
Ms. Yu Lu (余璐)
Ms. Zhao Yan (趙焱)

NOMINATION COMMITTEE

Mr. Li Xiang (李翔) *(Chairman)*
Ms. Zhao Yan (趙焱)
Mr. Gong Peiyue (公佩鉞)

JOINT COMPANY SECRETARIES

Ms. Yu Lu (余璐)
Ms. Lam Wing Chi (林穎芝) *ACG, HKACG*

AUTHORIZED REPRESENTATIVES

Ms. Yu Lu (余璐)
Ms. Lam Wing Chi (林穎芝) *ACG, HKACG*

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

HONG KONG LEGAL ADVISOR

Norton Rose Fulbright Hong Kong
38/F., Jardine House
1 Connaught Place, Central
Hong Kong

COMPLIANCE ADVISOR

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre,
188 Des Voeux Road Central, Sheung Wan,
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block B, Building 1
Zhubang 2000 Business Center
Chaoyang District, Beijing
PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3709, West Tower
Shun Tak Centre
Sheung Wan
Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

China Merchants Bank (Dongsihuan Sub-branch)
Block A, Yuanyang International Center
56 Dongsihuan Zhonglu
Chaoyang District, Beijing
PRC

DBS Bank (Hong Kong) Limited
G/F., The Center
99 Queen's Road Central
Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1/F, HSBC Centre Tower 2
1 Sham Mong Road
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119, Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

HONG KONG SHARE REGISTRAR

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

STOCK CODE

02405

COMPANY WEBSITE

www.empowerwin.com

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

I am pleased to present the business review and prospect of Powerwin Tech Group Limited and its subsidiaries for the year ended December 31, 2024.

RESULTS

In 2024, Our Group recorded a gross billing of US$852.9 million in 2024, representing a year-on-year growth of 24.9% from US$682.6 million in 2023. Our Group recorded revenue of US$13.5 million, representing a decrease of 37.4% from US$21.5 million in 2023. Our profit for the year decreased to US$0.5 million in 2024 from US$7.2 million in 2023. Basic earnings per share for the year was US$0.07 cents as compared to US$0.96 cents in 2023.

Our Group has adopted a prudent financial management approach towards its treasury policies to ensure healthy and safe key financial indicators.

2024 REVIEW: NAVIGATING CHALLENGES, BUILDING RESILIENCE

This year tested our resilience amid a complex global landscape marked by economic volatility and geopolitical uncertainty, resulting in a decline in our annual profitability. Although this led to a drop in revenue, the growth in our gross billings from our cross-border online-shop SaaS solution and digital marketing businesses indicates that the market continues to exhibit upward trends. During 2024 we served over 3,000 marketers and collaborated with 19 prominent global media publishers, including Meta, Google, X, TikTok, LinkedIn, YouTube and Snapchat. Our alliance encompasses social networking, instant messaging, searching engines and short-video content. Furthermore, we have engaged with more than 50 industry-specific media publishers as well as KOL, KOC channels, each specializing in distinct niche markets.

Despite numerous external challenges, including market fluctuations and economic headwinds, our commitment to our customers remains steadfast. Through our Powershopy platform, we expanded our offerings to include fully managed cross-border online-shop services, enabling our customers to enhance their revenue potential. We also proactively identified potential clients and waived our account management fees to nurture their growth and accelerate their success.

CHAIRMAN'S STATEMENT

2025 OUTLOOK: A YEAR OF RENEWED GROWTH

As we adapt to the changing landscape, we will recalibrate our approach by refining our initiatives that promise to enhance our market presence and drive revenue growth.

We shall streamline workflows, enhance our dual SaaS platform capabilities which will further optimize our cost structure and increase the degree in RPA hence improving our overall operational efficiency. We plan to invest in automation tools to reduce overheads while maintaining service excellence.

By leveraging our Adorado and Powershopy platforms, we will broaden our services in AI-driven analytics and personalized content marketing, enhancing our ability to deliver hyper-targeted solutions for our clients. Alongside agile campaign management, we will empower our customers to maximize their return on investment even in uncertain economic conditions.

Additionally, we will commit more resources on talent development, upskilling our teams in emerging technologies and scenario planning to better respond to market fluctuations.

Furthermore, we have identified emerging markets with significant growth potential and are actively pursuing strategic partnerships that will allow us to seize new opportunities and expand our reach.

APPRECIATION

On behalf of the Board, I wish to express our heartfelt appreciation to our shareholders, customers, business partners for their unwavering support and trust to our Group. Additionally, I would like to extend a special thank you to our Board members, management team and staff as you are the backbone of our organization. In 2025, we are confident that with our skilled team and strategic focus, we will navigate these challenges successfully and emerge even stronger.

Li Xiang
Chairman, Chief Executive Officer and Executive Director
Hong Kong, March 26, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a cross-border digital marketing service provider in China. Over the years, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities. Our cross-border digital marketing services consist of standardized, customized and SaaS-based solutions to address China-based marketers' needs for cross-border marketing endeavors. We also provide cross-border online-shop SaaS solutions which enable cross-border e-commerce merchants to build, operate, manage and market their own standalone online shops.

BUSINESS REVIEW

Cross-border Digital Marketing Services

Capitalizing on our deep understanding of marketers' evolving needs and prompted by the cross-border digital marketing spending along with the growing demand of China-based enterprises to expand overseas business, we had served more than 3,000 marketers as of December 31, 2024, covering a variety of industry verticals of e-commerce, online games and apps. We had, as of December 31, 2024, curated and collaborated with 19 major and well-known media publishers globally, including major media publishers such as Meta, Google, X, TikTok, LinkedIn, YouTube and Snapchat, covering social networking, instant messaging, search engine and short-video media platforms, as well as more than 50 industry-specific media publishers each focusing on a specific niche market.

Depending on marketers' needs and the depths of our services, our cross-border digital marketing services can be categorized into three service types, namely:

- **standardized digital marketing services**, mainly including basic services, such as procurement of media resources (being the ad inventories from the media publishers' platforms), opening and top-up of media accounts and implementation of marketing campaigns (without customized marketing strategies or optimization) on media publishers' platforms;

- **customized digital marketing services**, mainly including targeted marketing strategies and plans, marketing campaign content design, customized marketing campaign optimization, online shops optimization, campaign monitoring and management and execution of overall user acquisition; and

- **SaaS-based digital marketing services**, mainly including optimization and implementation of marketing campaigns in a more intelligent and automated manner through our Adorado SaaS platform, comprising a basic version mainly for small and medium-sized marketers and an advanced version mainly for large-scale marketers.

MANAGEMENT DISCUSSION AND ANALYSIS

Cross-border Online-shop SaaS Solutions

We provide cross-border online-shop SaaS solutions to customers through Powershopy, our proprietary SaaS platform launched in November 2021 which serves cross-border e-commerce merchants in China for the set-up, operation and digital marketing of their own standalone online shops as opposed to online shops operated on third-party e-commerce platforms. We generate revenue from cross-border online-shop SaaS solutions by charging our customers: (i) a fixed amount of a monthly subscription fee for the use of our platform; and/or (ii) a commission representing a pre-determined percentage of the gross merchandise volume ("**GMV**") generated by our customers through our Powershopy platform.

EMPLOYEES AND REMUNERATION POLICY

Our Group had 69 full-time employees as of December 31, 2024 (as of December 31, 2023: 86). Our staff cost, which is included in cost of sales, and the expenses of other staff in aggregate amounted to US$3.6 million for the year ended December 31, 2024 (for the year ended December 31, 2023: US$3.7 million). Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with our Group's remuneration policy, the employees' position, performance, company profitability, industry level and market environment. The remuneration committee of our Company is responsible for reviewing and making recommendations to the Directors on the structure concerning remuneration of the Directors and senior management, having regard to our Group's operating results, individual performance of the Directors and senior management and comparable market practices.

OUTLOOK

Despite the escalating market competitions, our business on cross-border digital marketing and cross-border online-shop SaaS solutions are in growing trends as demonstrated through our growth in gross billing and positive feedbacks from our customers. Moving forward, we plan to further integrate AI technology, implement strategic initiatives, upgrading our Adorado and Powershopy platforms and enhancing customer experiences to sustain the growth of our business.

Furthermore, we will continue to explore additional and more extensive strategic partnerships that will enable us to capture new opportunities and expand our overseas market presence as well as marketer coverage. We are committed to aligning our resources effectively and operationally optimizing our processes to enable us to serve the growing China-based cross-border e-commence as well as other customers going overseas.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue decreased by 37.4% to US$13.5 million in 2024 from US$21.5 million in 2023, primarily attributable to the intensifying competition in the digital marketing services. In order to maintain a competitive edge, the Group has reduced the account management fees charged from its customers since the start of 2024 and increased the rebate rates of certain of its customers.

Revenue from cross-border digital marketing services

- **Standardized digital marketing.** Revenue from standardized digital marketing services decreased by 42.8% to US$5.6 million in 2024 from US$9.8 million in 2023 as a result of the intensifying competition in the digital marketing services. In order to maintain a competitive edge, the Group has reduced the account management fees charged from its customers since the start of 2024 and increased the rebate rates of certain of its customers.

- **Customized digital marketing.** Revenue from customized digital marketing services decreased by 55.0% to US$3.1 million in 2024 from US$7.0 million in 2023, which was primarily attributable to the integration of the Group's customized digital marketing services and SaaS-based digital marketing services to increase intelligent delivery while reducing manual involvement. This has led to a shift in demand from customized digital marketing services to SaaS-based digital marketing services.

- **SaaS-based digital marketing.** Revenue from SaaS-based digital marketing services increased by 92.8% to US$2.8 million in 2024 from US$1.5 million in 2023. This increase was mainly due to the integration of the Group's customized digital marketing services and SaaS-based digital marketing services to increase intelligent delivery while reducing manual involvement. This has led to a shift in demand from customized digital marketing services to SaaS-based digital marketing services.

Revenue from cross-border online-shop SaaS solutions

Revenue from cross-border online-shop SaaS solutions decreased by 41.7% to US$1.9 million in 2024 from US$3.3 million in 2023, which was primarily due to the Group proactively reducing the commission price in light of the intense competition.

Cost of Sales

Our cost of sales decreased to US$2.2 million in 2024 from US$2.3 million in 2023, which was primarily attributable to the Group's staff structure optimization which has led to a decrease in staff cost.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Our gross profit decreased by 41.3% to US$11.3 million in 2024 from US$19.2 million in 2023. The decrease was primarily due to the intensifying competition in the digital marketing services and the Group responded by rolling out certain promotional measures, which has led to a decrease in revenue. Our overall gross profit margin decreased to 83.7% in 2024 from 89.3% in 2023, which was mainly due to the rolling out of certain promotional measures in light of the intensifying competition as aforementioned which has led to a decrease in revenue. While the Group has also optimized its cost structure which has led to a decrease in cost of sales, the decrease in revenue outweighed the decrease in cost of sales.

Marketing Expenses

Our marketing expenses remained steady at US$0.5 million in both 2023 and 2024.

Administrative Expenses

Our administrative expenses decreased to US$4.1 million in 2024 from US$5.0 million in 2023, as the Group no longer incurred listing expenses for the year ended December 31, 2024 in relation to the Group's initial public offering in March 2023.

Expected Credit Losses on Trade Receivables

Our expected credit losses on trade receivables decreased to US$0.7 million in 2024 from US$1.5 million in 2023 as the Group's long-aged customers were actively making payments to the Group.

Finance Costs

Our finance costs increased to US$6.0 million in 2024 from US$4.1 million in 2023. This increase was primarily due to (i) a greater demand for borrowing as a result of the Group's business development; and (ii) an increase in the market interest rate.

Income Tax

Our income tax decreased to US$0.04 million in 2024 from US$1.3 million in 2023, which was primarily due to a decline in net profit. Our effective income tax rate was 15.1% and 6.4% in 2023 and 2024, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 92.1% to US$0.5 million in 2024 from US$7.2 million in 2023. Our net profit margin decreased to 4.0% in 2024 from 33.4% in 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Trade Receivables

Our trade receivables increased to US$228.9 million as of December 31, 2024 from US$203.6 million as of December 31, 2023, which was primarily due to the continuous growth of cross-border e-commerce merchants based in China which has driven the demand for cross-border digital marketing services and the Group's gross billing. There were also longer collection periods for certain of the Group's customers.

Trade and Other Payables

Our trade and other payables remained stable at US$129.0 million as of December 31, 2024 and 2023.

Bank Loans

Our bank loans increased to US$102.6 million as of December 31, 2024 from US$61.0 million as of December 31, 2023, which was primarily because of the increased utilization of bank loans to support the Group's capital needs caused by the increase in gross billing.

Liquidity and Financial Resources

Our cash and cash equivalents were primarily denominated in U.S. dollars. As of December 31, 2023 and 2024, we had cash and cash equivalents of US$21.8 million and US$34.4 million, respectively. Such increase in cash and cash equivalents was primarily because of (i) the increase in income received in advance to support the increase in the Group's gross billing; and (ii) the repayment period of the Group's bank loan has not yet expired.

Our net current assets decreased to US$23.9 million as of December 31, 2024 from US$24.7 million as of December 31, 2023. This decrease was primarily due to the acquisition of new intangible assets.

Our major financing resources are bank loans and equity financing. We had bank loans of US$61.0 million and US$102.6 million as of December 31, 2023 and 2024, respectively, which were primarily used for supporting the growth of our business scale and development. As of December 31, 2024, our bank loans were primarily denominated in U.S. dollars, among which, approximately US$42.5 million were at fixed interest rates, and approximately US$60.0 million were at variable rates.

Final Dividend

The Board did not recommend any final dividend for year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

Gearing Ratio

Our gearing ratio, being calculated by dividing total borrowings by total equity as of the date indicated and multiplied by 100%, increased to 340.8% as of December 31, 2024 from 206.7% as of December 31, 2023, primarily due to the increase in the Group's borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Debt to Equity Ratio

Our debt to equity ratio, being calculated by dividing total borrowings net of cash and cash equivalents by total equity as of the date indicated and multiplied by 100%, increased to 226.5% as of December 31, 2023 from 132.8% as of December 31, 2023, primarily due to the increase in the Group's borrowings.

Contingent Liabilities

As of December 31, 2023 and 2024, we did not have any material contingent liabilities.

Pledge of Assets

Save as disclosed below, none of our Group's assets were pledged as of December 31, 2023 and 2024.

As of December 31, 2024, bank loans of US$2,212,000 were guaranteed by the Company (as of December 31, 2023: US$1,046,000) and secured by financial assets measured at fair value through profit or loss. As of December 31, 2024, bank loans of US$42,474,000 (as of December 31, 2023: US$1,470,000) were secured by trade receivables according to the factoring arrangements. As of December 31, 2024, bank loans of US$57,872,000 were guaranteed by the Company (as of December 31, 2023: US$52,504,000) and were secured by trade receivables according to the factoring arrangements.

Treasury Policies

We have adopted a prudent financial management approach towards our treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. Our Board closely monitors our liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Interest Rate Risks

Our interest rate risks arise primarily from bank loans issued at variable rates. In particular, our interest on bank loans increased to US$6.0 million in 2024 from US$4.1 million in 2023. We will keep monitoring the risk exposure regularly to mitigate the interest risk.

Foreign Exchange Exposure

Our Group operates in Hong Kong with most of our monetary assets and liabilities and transactions principally denominated in U.S. dollars. We do not have significant exposure to foreign currency risks.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

We did not have any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2024. As of December 31, 2024, we did not have any plans for any material investments or capital assets.

DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Li Xiang (李翔), aged 52, founded our Group on August 26, 2013 and was appointed as a Director on June 7, 2019. He was appointed as the chairman of our Board, the chief executive officer of our Company and was redesignated as an executive Director on January 21, 2022. He is mainly responsible for the overall strategic and direction planning, business development and management of our Group. He is the chairman of the Nomination Committee. Mr. Li is the spouse of Ms. Yu, our executive Director and the deputy chief operating officer of our Company.

Mr. Li currently holds the following positions in the subsidiaries of our Company as set out below:

Name of Company	Position
Able Best	Director and general manager
Beijing Dingli	Chairman of our Board of directors and general manager
Beijing Yingli	Director and general manager
Powerwin E-commerce	Director and general manager
Powerwin Media	Chairman of our Board of directors and general manager
Powerwin Shenzhen	Chairman of our Board of directors and general manager

Mr. Li has over 26 years of business management and information technology-related experience. Prior to founding our Group, from 1997 to August 2009, Mr. Li served as the general sales manager of the Beijing Branch of Intel (China) Co., Ltd.* (英特爾(中國)有限公司北京分公司), a technology company specialized in chip-making. From September 2009 to July 2012, Mr. Li served as the greater China OEM general manager of Microsoft Corporation (China)* (微軟(中國)有限公司), a multinational technology company. Mr. Li is currently the director of Total Best, Wealth Express, Into One and Honest Beauty, all of which are our Controlling Shareholders.

Mr. Li received a bachelor's degree in computer application from the Shenyang University of Technology in the PRC in July 1996. Mr. Li received a master's degree in business administration from the China Europe International Business School in the PRC in September 2006.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Yu Lu (余璐), aged 44, was appointed as an executive Director and the deputy chief operating officer of our Company on January 21, 2022. She is also one of the joint company secretaries of our Company. She joined our Group on January 1, 2016. She is mainly responsible for the internal management of our Group and assisting the chief executive officer in the overall strategic and direction planning of our Group. She is a member of the Remuneration Committee. Ms. Yu is the spouse of Mr. Li, the chairman of our Board, the chief executive officer of our Company and our executive Director.

Ms. Yu currently holds the following positions in the subsidiaries of our Company as set out below:

Name of Company	Position
Able Best	Director and deputy general manager
Beijing Dingli	Director and deputy general manager
Powerwin Media	Director and deputy general manager
Powerwin Shenzhen	Director and deputy general manager

Ms. Yu has over 15 years of sales and strategic planning experience. Prior to joining our Group, from March 2008 to June 2015, Ms. Yu last served as the channel account manager of Intel China Ltd.* (英特爾(中國)有限公司), a technology company specializing in chip-making. Mr. Yu is currently the director of Lucky Linkage, Common Excellence and Total Mice, all of which are our Controlling Shareholders.

Ms. Yu received a bachelor's degree in forestry from Shihezi University in the PRC in June 2003. Ms. Yu received a master's degree in business administration in finance from the Chinese University of Hong Kong in December 2011.

Independent Non-executive Directors

Ms. Zhao Yan (趙焱), aged 44, was appointed as our independent non-executive Director on March 3, 2023. Ms. Zhao is mainly responsible for supervising and providing independent judgment to our Board. She is also a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Ms. Zhao has over 16 years of experience in the legal and finance field. Ms. Zhao worked as a solicitor in the Beijing headquarters of King & Wood Mallesons from July 2006 to May 2008, where she was responsible for advising clients on matters relating to corporate finance. From February 2009 to February 2011, Ms. Zhao worked as a lawyer in Beijing Dacheng Law Offices. Ms. Zhao was the managing director of the investment bank department of Caitong Securities Co., LTD. (財通證券股份有限公司), a securities company from February 2011 to January 2019. Ms. Zhao served as the senior partner of Zhengxin Law Firm from February 2019 to February 2023. Ms. Zhao has been serving as the senior partner of Beijing Zhongyun Law Firm since February 2023.

Ms. Zhao received a bachelor's degree in laws from Yanshan University in the PRC in July 2003. Ms. Zhao received a master's degree in litigation law from the China University of Political Science and Law in the PRC in June 2006. Ms. Zhao received a master's degree in business administration in finance from the Chinese University of Hong Kong in December 2011. Ms. Zhao is admitted to the Doctoral of Professional Studies in Business program at the Gabelli School of Business, Fordham University in the United States. Ms. Zhao is a qualified lawyer in the PRC and she also holds securities qualification in the PRC.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Gong Peiyue (公佩鉞), aged 48, was appointed as our independent non-executive Director on March 3, 2023. Mr. Gong is mainly responsible for supervising and providing independent judgment to our Board. He is the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee.

Mr. Gong has over 24 years of experience in auditing, business consulting and asset management. Mr. Gong was a senior consultant, project manager and senior project manager of BMI Consulting (Shenzhen) Co., Ltd.* (邦盟匯駿顧問(深圳)有限公司) from May 2002 to September 2009. From December 2009 to July 2013, Mr. Gong was an executive director of BMI Management Advisory (Xiamen) Limited* (邦盟匯駿管理諮詢(廈門)有限公司). Mr. Gong was a vice president of Sichuan Haocaitou Co., Ltd* (四川好彩頭實業股份有限公司) from April 2015 to January 2017. From July 2021 to January 2024, Mr. Gong was an independent non-executive director of Universal Star (Holdings) Limited, a company previously listed on the Main Board of the Stock Exchange (stock code: 2346). Mr. Gong now serves as a legal representative and an executive director in Huifu Taige (Xiamen) Asset Management Co., Ltd* (慧富泰格(廈門)資產管理有限公司), where he was responsible for the overall management of that company.

Mr. Gong received his bachelor's degree of accounting from the Chang'an University (長安大學) (formerly known as Xi'an Highway Jiaotong University* (西安公路交通大學)) in the PRC in July 1998. Mr. Gong has been a member of The Hong Kong Independent Non-Executive Director Association since 2020.

Mr. Li Kwok Tai James (李國泰), aged 57, was appointed as our independent non-executive Director on March 3, 2023. Mr. Li is mainly responsible for supervising and providing independent judgment to our Board. He is the chairman of the Audit Committee.

Mr. Li served as a staff accountant in the audit department of Ernst & Young from May 1994 to January 1997; a senior accountant in the global corporate finance division of Arthur Andersen & Co. from May 1998 to January 2000; a senior associate of DBS Asia Capital Limited from January 2000 to January 2001; a manager in the listing division of Hong Kong Exchanges and Clearing Limited, a company listed on the Stock Exchange (stock code: 388), from September 2002 to June 2006; a senior manager in the corporate finance execution department of BNP Paribas Capital (Asia Pacific) Limited from June 2006 to May 2007; a vice president in the investment banking coverage department of J.P. Morgan Securities (Asia Pacific) Limited from May 2007 to December 2008; a vice president of New World Strategic Investment Limited, a wholly-owned subsidiary of New World Development Company Limited, a company listed on the Stock Exchange (stock code: 17), from April 2009 to April 2010; a director in the investment banking department of CGS-CIMB Securities (Hong Kong) Limited (formerly known as CIMB Securities Limited, a wholly-owned subsidiary of CIMB Group Sdn Bhd) from April 2010 to January 2017; a managing director of Futec International Holdings Limited (previously known as HeungKong Financial Group Limited) from July 2017 to May 2018; a managing director in the investment banking department of Shanggu Securities Limited from June 2018 to April 2023 and an independent non-executive director of Huasheng International Holding Limited, a company listed on the Stock Exchange (stock code: 1323) from September 2020 to April 2024. Mr. Li has been an independent non-executive director of C&D Property Management Group Co., Ltd, a company listed on the Stock Exchange (stock code: 2156), since December 2020.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Li obtained a bachelor's degree in engineering from the University of Liverpool in the United Kingdom in July 1990; a master's degree in science from the Victoria University of Manchester in the United Kingdom in December 1991; and a bachelor of laws degree from the University of London in the United Kingdom in August 2005. Mr. Li has been a member of the American Institute of Certified Public Accountants since September 1999 and an associate member of the Hong Kong Institute of Certified Public Accountants since March 2000.

SENIOR MANAGEMENT

Mr. Fan Qiyao (范啟堯), aged 37, was appointed as our head of marketing, e-commerce, on January 21, 2022 and is responsible for the overall management of the sale and operation of the e-commerce business of our Group.

Prior to joining our Group, from August 2013 to January 2016, Mr. Fan served as the information maintenance officer of Deutsche Bahn AG, the national railway company of Germany, where he was responsible for the maintenance of the information system. Mr. Fan then worked in Beijing Social E-Commerce Co., Ltd. (北京搜秀電子商務有限公司), an internet e-commerce company. From July 2019 to August 2020, Mr. Fan served as the overseas advertisement deployment manager of Beijing Zhongtian Hexin Information Technology Co., Ltd.* (北京中天和信資訊技術有限公司), a technology development and consulting company.

Mr. Fan received a bachelor's degree in international finance and commerce from the Shanxi Agricultural University in the PRC in June 2011. Mr. Fan received a bachelor's degree in business management from the Anhalt University of Applied Sciences in Germany in June 2013. Mr. Fan received a master's degree in online communications from the Anhalt University of Applied Sciences in Germany in March 2019.

Mr. Cao Xin (曹鑫), aged 38, was appointed as our head of technology on January 21, 2022 and is responsible for providing technical support to business technology and the development and maintenance of products.

Prior to joining our Group, from October 2013 to December 2014, Mr. Cao worked for Zanbo Hengan Health Technology Development (Beijing) Co., Ltd.* (贊博恒安健康科技發展(北京)有限公司), formerly known as Beijing Ganmeng Technology Co., Ltd.* (北京甘蒙科技有限公司), an internet company hosting a website specializing in medical and healthcare education. From April 2016 to October 2017, Mr. Cao worked for Beijing Yiqilian Technology Co., Ltd.* (北京億起聯科技有限公司), a big data marketing company. Mr. Cao served as the technical director for Tianjin Xiakexing Technology Co., Ltd.* (天津俠客行科技有限公司), a big data marketing company, where he was responsible for software development, up to June 2018.

Mr. Cao completed his studies in a bachelor's degree in computer science and technology from the School of Distance Learning and Continuing Education of the Beijing Jiaotong University through distant learning in the PRC in July 2014.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. Yu (余璐) was appointed as one of the joint company secretaries of our Company on January 21, 2022. For details of Ms. Yu's biography, see "– Directors – Executive Directors".

Ms. Lam Wing Chi (林穎芝) was appointed as another joint company secretary of our Company on January 21, 2022, to assist Ms. Yu in discharging her duties as a joint company secretary, including compliance matters relating to the Listing Rules and other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date.

Ms. Lam Wing Chi is a senior manager of Company Secretarial Services of Tricor Services Limited. Ms. Lam has over 11 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lam is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

* *For identification purpose only*

REPORT OF DIRECTORS

Our Board is pleased to present its report together with the audited consolidated financial statements of our Group for the year ended December 31, 2024.

GENERAL INFORMATION

Our Company was incorporated in the Cayman Islands on June 7, 2019 as an exempted company with limited liability under the laws of the Cayman Islands. Our Shares were listed on the Main Board of the Stock Exchange on March 31, 2023.

PRINCIPAL ACTIVITIES

We are a cross-border digital marketing service provider in China. Over the years, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities. The activities of the subsidiaries of our Company during the year ended December 31, 2024 is set out in note 15 to the consolidated financial statements.

RESULTS

The results of our Group for the year ended December 31, 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 98 of this annual report.

FINAL DIVIDEND

Our Board did not recommend the payment of a final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: Nil).

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

DIVIDEND POLICY

Our Company considers stable and sustainable returns to the Shareholders to be its goal.

The declaration and payment of dividend is subject to the financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans of our Group, among other things, and will be at the sole discretion of our Board, subject to the approval of the Shareholders (if applicable).

FINANCIAL SUMMARY

A summary of our Group's results, assets and liabilities for the last five financial years are set out on page 161 of this annual report.

REPORT OF DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by our Group. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

– changes in China's economic, political and social conditions, as well as government policies;

– changes in government policies and regulations;

– changes in the supply and demand for cross-border digital marketing services;

– the ability to general sufficient liquidity internally and obtain external financing;

– the ability to adapt to new markets where our Group has no prior experience and in particular, whether our Group can adapt to the administrative, regulatory, cultural and tax environments in such markets;

– the ability to leverage our brand name and to compete successfully in new markets, particularly against the incumbent players in such markets who might have more resources and experience than our Group; and

– the ability to improve administrative, technical, operational and financial infrastructure.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as our Board and management are aware, our Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of our Group. During the year ended December 31, 2024, there was no material breach of, or non-compliance with, applicable laws and regulations by our Group.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Our Company was listed on the Stock Exchange on March 31, 2023 and issued 200,000,000 new Shares at HK$0.7 each under the Global Offering.

After deducting the underwriting fees and commissions and other estimated expenses payable by our Company in connection with the Global Offering, as the over-allotment option is not exercised, the net proceeds of the Global Offering are estimated to be approximately HK$96.8 million (the "**Net Proceeds**").

REPORT OF DIRECTORS

Update on Expected Timeline for Use of Proceeds

As of December 31, 2024, the total unutilized Net Proceeds amounted to approximately HK$58.0 million (the "**Unutilized Net Proceeds**"). Having considered the reasons set out in "Reasons for Change in Use of Proceeds" below, the Board has resolved to extend the expected timeline for the use of the Unutilized Net Proceeds in (i) upgrading the Group's business and internal management systems to cater to its increasing business scale; and (ii) pursuing strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group to the end of 2025, in order to cater with the business needs of the Group and current market conditions. The actual utilization of Net Proceeds up to December 31, 2024 and the updated expected timeline for full utilization of the Unutilized Net Proceeds are stated below.

Intended use of Net Proceeds	Approximate percentage of Net Proceeds	Allocation of Net Proceeds (HK$ million)	Unutilized amount of Net Proceeds as of January 1, 2024 (HK$ million)	Utilized amount of Net Proceeds for the year ended December 31, 2024 (HK$ million)	Unutilized amount of Net Proceeds as of December 31, 2024 (HK$ million)	Expected timeline for full utilization of the Unutilized Net Proceeds
Strengthen the research and development capabilities of the Group	41.7%	40.3	27.6	16.4	11.2	end of 2025
Market the Group's cross-border online-shop SaaS solutions business	13.3%	12.9	12.9	–	12.9	end of 2025
Upgrade the Group's business and internal management systems to cater to its increasing business scale	10.0%	9.7	9.7	–	9.7	end of 2025
Strengthen the Group's capabilities in providing localized services in overseas countries and regions to meet customers' growing demand for overseas presence and expansion and deepen the Group's global footprint overseas presence and expansion and deepen the Group's global footprint	15.0%	14.5	14.5	–	14.5	end of 2025
Pursue strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group	10.0%	9.7	9.7	–	9.7	end of 2025
Working capital and general corporate purposes	10.0%	9.7	–	–	–	N/A
Total	100%	96.8	74.4	16.4	58.0	

REPORT OF DIRECTORS

REASONS FOR EXTENDING THE EXPECTED TIMELINE FOR USE OF PROCEEDS

Upon evaluation of the Group's current business and internal management systems, the plan to purchase an enterprise resource planning (ERP) system was deferred as the current system fulfilled the Group's business needs. Following the business development of the Group, the Group expects that the system upgrade would take place in 2025 and therefore has extended the expected timeline for upgrading the Group's business and internal management systems to cater to its increasing business scale to the end of 2025.

The Group has also evaluated various strategic cooperation and/or investment opportunities, but it has yet to identify suitable opportunities which will complement the Group's current strategic planning or add value to the Group's product offerings. Upon evaluating current market conditions, the Group would continue to seek cooperation and/or investment opportunities in 2025 in a bid to create a competitive edge within the industry. As such, the Group has extended the expected timeline for pursuing strategic cooperation or investment opportunities from upstream and downstream industry participants that will complement or enhance the Group's existing business and product functions and have synergy with the Group to the end of 2025.

The Board considers that the extension of the expected timeline for full utilization of the Unutilized Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole.

Save as disclosed above, the Company does not currently anticipate any other material changes to the use of the Unutilized Net Proceeds. The Board will continuously assess the plans for the use of the Unutilized Net Proceeds and may further revise or amend such plans where necessary to cope with the changing market environment and conditions, as well as business needs.

REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended December 31, 2024, our Group's sales to its five largest customers accounted for approximately 79.6% (2023: approximately 72.3%) of our Group's total revenue and our single largest customer accounted for approximately 33.1% (2023: approximately 29.4%) of our Group's total revenue.

Major suppliers

For the year ended December 31, 2024, our Group's five largest suppliers accounted for 88.9% (2023: 96.1%) of our Group's total purchases and our single largest supplier accounted for 33.7% (2023: 33.3%) of our Group's total purchase amount.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders which, to the best knowledge of our Directors, owns more than 5% of the number of issued Shares, had any interest in any of our Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of our Group during the Reporting Report are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of our Company during the Reporting Period are set out in note 25(b) to the consolidated financial statements.

DEBENTURES

Our Group did not issue any debentures during the Reporting Period.

RESERVES

Details of movements in the reserves of our Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 101 of this annual report. Details of moments in the reserves of our Company during the Reporting Period are set out in note 25(d) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we did not have any the distributable reserves under the Companies Act of the Cayman Islands (as of December 31, 2023: nil).

REPORT OF DIRECTORS

TAX RELIEF

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

BANK LOANS

Particulars of bank loans of our Group as of December 31, 2024 are set out in note 21 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Li Xiang
Ms. Yu Lu

Independent Non-executive Directors

Ms. Zhao Yan
Mr. Gong Peiyue
Mr. Li Kwok Tai James

In accordance with article 26.4 of the Articles of Association, at every annual general meeting of our Company one-third of the Directors for the time being (or, if their number is not three or 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 once every three years.

Accordingly, Mr. Li Xiang and Mr. Gong Peiyue will retire and, being eligible, have offered themselves for re-election as Directors as the forthcoming AGM to be held on Thursday, June 26, 2025.

Details of the Directors to be re-elected at the AGM will be set out in the circular to be despatched to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of our Company are set out on pages 12 to 16 of this annual report.

REPORT OF DIRECTORS

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Our Company has received an annual confirmation of independence from each of the independent non-executive Directors and has reviewed the independence of each of the independent non-executive Directors pursuant to rule 3.13 of the Listing Rules and our Company considers such Directors to be independent during the Reporting Period.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other.

The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of our Group to which our Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance was entered into between our Company or any of its subsidiaries and the controlling shareholders of our Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the year and up to the date of this annual report, and no contract of significance for the provision of services to our Company or any of its subsidiaries by a controlling shareholder of our Company or any of its subsidiaries was entered into during the Reporting Period or subsisted at the end of the year and up to the date of this annual report.

REPORT OF DIRECTORS

MANAGEMENT CONTRACTS

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

EMPLOYEES AND REMUNERATION POLICY

Our Group had 69 full-time employees as of December 31, 2024 (as of December 31, 2023: 86). The total staff cost for the Reporting Period was approximately US$3.6 million. Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with our Group's remuneration policy, the employees' position, performance, company profitability, industry level and market environment.

A remuneration committee was set up for reviewing and making recommendations to the Directors on the structure concerning remuneration of the Directors and senior management, having regard to our Group's operating results, individual performance of the directors and senior management and comparable market practices.

Details of the emoluments of the Directors and five highest paid individuals during the Reporting Period are set out in note 7 and note 8 to the consolidated financial statements, respectively.

PENSION AND EMPLOYEE BENEFITS SCHEME

Our Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of our Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which our Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. Other than the monthly contributions, our Group has no further obligation for the payment of retirement and other post-retirement benefits of its employee.

During the Reporting Period, our Group had no forfeited contribution available to reduce its contribution to the pension schemes in future years.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS

Saved as disclosed in this annual report, there was no change to information subsequent to September 20, 2024 (being the issue date of the interim report of the Company for the six months ended June 30, 2024) and up to the date of this annual report which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules.

REPORT OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ITS ASSOCIATED CORPORATIONS

As of December 31, 2024, the interests and short positions of the Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in Shares and underlying Shares

Name of Director	Capacity/Nature of Interest	Number of Shares/ Underlying Shares	Approximately Percentage of Shareholding in our Company(1)	Long Position/Short Position/Lending Pool
Mr. Li	Interest in a controlled corporation(2)	96,000,000	12.00%	Long Position
	Settlor of a discretionary trust(3)	80,000,000	10.00%	Long Position
	Interest of spouse(4)	360,000,000	45.00%	Long Position
Ms. Yu	Interest in a controlled corporation(5)	6,000,000	0.75%	Long Position
	Settlor of a discretionary trust	354,000,000	44.25%	Long Position
	Interest of spouse(4)	176,000,000	22.00%	Long Position

Notes:

(1) The percentage of shareholding was calculated based on our Company's total number of issued shares as of December 31, 2024 (i.e. 800,000,000 Shares).

(2) Our Company is held directly by Total Best and Wealth Express as to 0.75% and 11.25%, respectively. Each of Total Best and Wealth Express is wholly owned by Mr. Li. Mr. Li is deemed to be, or taken to be, interested in all the Shares held by Total Best and Wealth Express for the purpose of the SFO.

(3) The Imperial Trust is a discretionary trust established by Mr. Li (as the settlor) and the beneficiaries of which include Ms. Yu and Mr. Li's family members. Our Company is held directly by Into One as to 10.00%. As such, Mr. Li is deemed to be interested in the Shares held by Into One for the purpose of the SFO.

(4) Mr. Li and Ms. Yu are spouses. Therefore, each of them is deemed to be interested in all the Shares the other party is interested in for the purpose of the SFO.

(5) Our Company is held directly by Lucky Linkage as to 0.75%. Lucky Linkage is wholly owned by Ms. Yu. Ms. Yu is deemed to be, or taken to be, interested in all the Shares held by Lucky Linkage for the purpose of the SFO.

(6) The Tranquil Trust is a discretionary trust established by Ms. Yu (as the settlor) and the beneficiaries of which include Mr. Li and Ms. Yu's family members. Our Company is held directly by Common Excellence as to 44.25%. As such, Ms. Yu is deemed to be interested in the Shares held by Common Excellence for the purpose of the SFO.

REPORT OF DIRECTORS

(ii) Interest in associated corporations of our Company

As of December 31, 2024, none of the Directors or the chief executive of our Company had an interest or short position in the shares, underlying shares and debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as of December 31, 2024, none of the Directors or the chief executive of our Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was our Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, our Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of our Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of our Company) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by our Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares/ Underlying Shares	Approximately Percentage of Shareholding in our Company[1]	Long Position/Short Position/Lending Pool
Common Excellence	Beneficial owner[2]	354,000,000	44.25%	Long Position
Total Mice	Interest in controlled corporation[2]	354,000,000	44.25%	Long Position
Into One	Beneficial owner[3]	80,000,000	10.00%	Long Position
Honest Beauty	Interest in controlled corporation[3]	144,000,000	18.00%	Long Position
Wealth Express	Beneficial owner[4]	90,000,000	11.25%	Long Position
Trustee	Trustee of the Tranquil Trust[2]	354,000,000	44.25%	Long Position
	Trustee of the Imperial Trust[3]	80,000,000	10.00%	Long Position

REPORT OF DIRECTORS

Notes:

(1) The percentage of shareholding was calculated based on our Company's total number of issued shares as of December 31, 2024 (i.e. 800,000,000 Shares).

(2) The Trustee, acting as the trustee of the Tranquil Trust, holds the entire issued share capital of Total Mice, which in turn holds the entire issued share capital of Common Excellence. The Tranquil Trust is a discretionary trust established by Ms. Yu (as the settlor) and the beneficiaries of which include Mr. Li and Ms. Yu's family members. Our Company is held directly by Common Excellence as to 44.25%. As such, Ms. Yu is deemed to be interested in the Shares held by Common Excellence for the purpose of the SFO.

(3) The Trustee, acting as the trustee of the Imperial Trust, holds the entire issued share capital of Honest Beauty, which in turn holds the entire issued share capital of Into One. The Imperial Trust is a discretionary trust established by Mr. Li (as the settlor) and the beneficiaries of which include Ms. Yu and Mr. Li's family members. Our Company is held directly by Into One as to 10.00%. As such, Mr. Li is deemed to be interested in the Shares held by Into One for the purpose of the SFO.

(4) Wealth Express is wholly owned by Mr. Li. Mr. Li is deemed to be, or taken to be, interested in all the Shares held by Total Best and Wealth Express for the purpose of the SFO.

Save as disclosed above, as of December 31, 2024, the Directors were not aware of any persons (who were not Directors or chief executive of our Company) who had an interest or short position in the Shares or underlying Shares of our Company which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

EQUITY-LINKED AGREEMENTS

There was no equity-linked agreement entered into by our Company or any of its subsidiaries during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither our Company nor any of its subsidiaries had purchased, sold or redeemed any of our Company's listed securities during the Reporting Period. As at December 31, 2024, the Group did not hold any treasury shares.

PRE-EMPTIVE RIGHTS

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

REPORT OF DIRECTORS

DEED OF NON-COMPETITION

Each of the Controlling Shareholders has unconditionally and irrevocably undertaken to our Company (for itself and as trustee for each of its subsidiaries) in the deed of non-competition dated March 6, 2023 ("**Deed of Non-Competition**") that with effect from the Listing Date, he/she/it will not, and shall use their best endeavors to procure that his/her/its close associates (save for members of our Group) not to, directly or indirectly (including through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise) carry on, participate, hold, engage, acquire or operate, or provide any form of assistance to any person, firm or company (except in or through any members of our Group) to conduct any business which, directly or indirectly, competes or is likely to compete with the principal business of our Group in Hong Kong or such other places as our Group may conduct or carry on business from time to time including but not limited to the cross-border digital marketing business and the cross-border online-shop SaaS solutions business (the "**Restricted Activity**"), except where the Controlling Shareholders and their respective associates hold less than 5% of the total issued share capital of any company that engages in the Restricted Activity whose shares are listed on a recognized stock exchange provided that (i) there is a holder (together where appropriate, with its associates) with a larger shareholding in that company than the aggregate shareholding held by our Controlling Shareholders and/or their respective associates at all times; and (ii) the total number of the relevant Controlling Shareholders' representatives on our Board of directors of that company is not significantly disproportionate in relation to their shareholding in that company.

Each of our Controlling Shareholders has further undertaken to our Company (for itself and as trustee for each of its subsidiaries our subsidiaries) that among others, with effect from the Listing Date, in the event that any of them and/or any of their associates (except any members of our Group) is offered or becomes aware of any future business opportunity relating to the Restricted Activity (the "**Business Opportunity**");

(a) he/she/it shall within 10 days notify our Company of such Business Opportunity in writing and refer the same to our Company for consideration, and shall provide the relevant information to our Company in order to enable our Company to make an informed assessment of such opportunity and whether it is in the interest of our Company and our Shareholders as a whole to pursue such Business Opportunity, including but not limited to the nature of the Business Opportunity and the details of the relevant costs;

(b) he/she/it shall not, and shall procure their associates (except any members of our Group) not to, invest or participate in any Business Opportunity, unless such Business Opportunity shall have been rejected by our Company and the principal terms of which our Controlling Shareholders or any of their associates invest or participate in are no more favourable than those made available to our Company; and

(c) he/she/it may only engage in the Business Opportunity if (i) a notice is received by him/her/it from our Company confirming that the Business Opportunity is not accepted and/or does not constitute competition with the Restricted Activity (the "**Non-acceptance Notice**"); or (ii) the Non-acceptance Notice is not received by him/her/it within 30 days after the proposal of the Business Opportunity is received by our Company.

REPORT OF DIRECTORS

For details of the Deed of Non-Competition, please refer to the Prospectus.

During the Reporting Period, each of the Controlling Shareholders has made annual confirmation as to compliance of the Deed of Non-Competition.

The independent non-executive Directors have reviewed the Deed of Non-Competition and the status of compliance with the undertakings by the Controlling Shareholders. The independent non-executive Directors confirmed that they were not aware of any non-compliance of the non-competition undertakings under the Deed of Non-Competition, and are satisfied that such undertaking had been duly enforced and complied with during the Reporting Period.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

RELATED PARTY TRANSACTIONS

None of the related party transactions as disclosed in note 27 to the consolidated financial statements constituted connected transactions or continuing connected transactions of our Company as defined in Chapter 14A of the Listing Rules for the year ended December 31, 2024.

DONATIONS

During the Reporting Period, we did not make any charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, our Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against our Company.

REPORT OF DIRECTORS

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of our Company acting in relation to any of the affairs of our Company shall be entitled to be indemnified out of the assets of our Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. Our Company has maintained appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors and officers which was in force during the Reporting Period and up to the date of this annual report.

SUBSEQUENT EVENTS

There are no significant events subsequent to December 31, 2024 which would materially affect the Group's operating and financial performance as of the date of this annual report.

AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor of our Company (the "**Auditor**"), reviewed the accounting principles and policies adopted by our Group and the consolidated financial statements for the year ended December 31, 2024.

CORPORATE GOVERNANCE

Our Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by our Company is set out in the Corporate Governance Report on pages 32 to 49 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

REPORT OF DIRECTORS

CLOSURE OF REGISTER OF MEMBERS

The register of members of our Company will be closed from Monday, June 23, 2025 to Thursday, June 26, 2025, both days inclusive, in order to determine the eligibility of the Shareholders to attend the AGM to be held on Thursday, June 26, 2025, during which period no share transfers will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Thursday, June 26, 2025. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with our Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, June 20, 2025.

AUDITOR

KPMG was appointed as the Auditor for the year ended December 31, 2024. There was no change in Auditor for the preceding three years. The accompanying financial statements prepared in accordance with HKFRSs have been audited by KPMG.

On behalf of our Board
Li Xiang
Chairman, Chief Executive Officer and Executive Director
Hong Kong, March 26, 2025

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE CULTURE

Our Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects our belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, we believe that shareholder wealth will be maximised in the long term and that our employees, those with whom it does business and the communities in which it operates will all benefit.

Our Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– satisfactory and sustainable returns to Shareholders;

– that the interests of those who deal with our Company are safeguarded;

– that overall business risk is understood and managed appropriately;

– the delivery of high-quality products and services to the satisfaction of customers;

– that high standards of ethics are maintained.

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

CORPORATE GOVERNANCE PRACTICES

Our Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted and, save as disclosed below, complied with the CG Code as its own code of corporate governance during the Reporting Period. Our Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

CORPORATE GOVERNANCE REPORT

Mr. Li is the chairman of our Board and the chief executive officer our Company. With extensive experience in business management, Mr. Li is responsible for the overall strategic and direction planning, business development and management of our Group and is instrumental to our growth and business expansion since our establishment. Our Board considers that vesting the roles of joint chairman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our senior management and our Board, which comprises experienced and high-caliber individuals. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

OUR BOARD

Responsibilities

Our Board is responsible for the overall leadership of our Group, oversees our Group's strategic decisions and monitors business and performance. To oversee particular aspects of our Company's affairs, our Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. Our Board has delegated to our Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations and have acted in the interests of our Company and the Shareholders at all times.

Our Company understands the importance of having liability insurance in respect of legal action against the Directors and is in the process of arranging appropriate liability insurance. The insurance coverage will be reviewed on an annual basis.

Board Composition

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

Executive Directors

Mr. Li Xiang *(Chairman and Chief Executive Officer)*
Ms. Yu Lu *(Deputy Chief Operating Officer)*

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

Ms. Zhao Yan
Mr. Gong Peiyue
Mr. Li Kwok Tai James

The biographies of the Directors are set out under “Directors and Senior Management” of this annual report.

The term of appointment of independent non-executive Directors are set out in “Report of Directors – Directors’ Service Contracts and Letters of Appointment” of this annual report.

During the Reporting Period and up to the date of this annual report, our Board has met at all times the requirements under rules 3.10(1) and 3.10(2) 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.

During the Reporting Period and up to the date of this annual report, our Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of our Board.

Save as disclosed in the Directors’ biographies set out in “Directors and Senior Management” in this annual report, none of the Directors and senior management have any relationship (including financial, business, family or other material or relevant relationship) with any other Directors, senior management, president and chief executive.

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

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

CORPORATE GOVERNANCE REPORT

Independent Views and Input

In order to ensure independent views and input are available to our Board, our Board has developed the following mechanisms, including but not limited to:

(i) at least one-third of Board members are independent non-executive Directors;

(ii) every independent non-executive Director is appointed for a specific term and subject to retirement by rotation at least once every three years;

(iii) independent non-executive Directors possess professional knowledge and broad experience;

(iv) no independent non-executive Director has served our Company for more than nine years;

(v) no independent non-executive Director holds more than six listed company directorships to make sure that each of independent non-executive Directors has sufficient time to make contributions to the Board;

(vi) every independent non-executive Director has made an annual confirmation of his independence to our Company; and

(vii) our Board, each of its Board committees or every Director is able to seek professional advice in appropriate circumstances at our Company's expenses.

The implementation and effectiveness of relevant mechanisms have been reviewed by our Board and will further be reviewed annually.

Board Diversity Policy

Our Company recognizes the benefits of having a diversified Board. Our Company has adopted a board diversity policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of our Group from time to time. In summary, our board diversity policy sets out that when considering the nomination and appointment of a Director, with the assistance of our Nomination Committee, our Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to our Board, in order to better serve the needs and development of our Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to our Board.

CORPORATE GOVERNANCE REPORT

The Directors have a balanced mix of experiences, including business management, finance, auditing and accounting experiences. They obtained degrees in various majors. With respect to gender diversity, our executive Director Ms. Yu and our independent non-executive Director Ms. Zhao Yan, having extensive experience in their respective fields, contribute to gender diversity of our Board. Our Company has taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. The gender ratio in the workforce (including our senior management is approximately 1:1.5 (male : female). Taking into account our Group's business model and specific needs as well as the presence of two female Directors out of a total of five Board members, our Company considers that the composition of our Board satisfies our Board diversity policy and our Company has not set any measurable objectives.

The Nomination Committee is responsible for ensuring the diversity of our Board members. The Nomination Committee is responsible for reviewing our board diversity policy and its implementation from time to time to ensure its continued effectiveness.

Induction and Continuous Professional Development

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

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of our Company have from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

During the Reporting Period, the Company has provided relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts to the Directors for their reference and studying.

During the Reporting Period, the training records of the Directors have been provided to the Company and summarized as follows:

Directors	Type of trainings
Mr. Li Xiang	A/B
Ms. Yu Lu	A/B
Ms. Zhao Yan	A/B
Mr. Gong Peiyue	B
Mr. Li Kwok Tai James	A/B

Remarks:

A: attending training sessions, including but not limited to, briefings, seminars, conferences and workshops.

B: reading professional journals and updates relating to economy, general business, corporate governance or director's duties and responsibilities, etc.

CORPORATE GOVERNANCE REPORT

Board Meetings

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

For other Board and Board committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretaries of our Company with copies circulated to all Directors for information and records.

Minutes of our Board meetings and Board committee meetings are recorded in sufficient detail about the matters considered by our Board and our Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of our Board meetings are open for inspection by Directors.

The attendance of each Director at the Board meetings and general meetings of the Company held during the Reporting Period is set out in the following table:

	Number of meetings attended/ eligible to attend	
Directors	**Board meeting**	**AGM**
Mr. Li Xiang	4/4	1/1
Ms. Yu Lu	4/4	1/1
Ms. Zhao Yan	4/4	1/1
Mr. Gong Peiyue	4/4	1/1
Mr. Li Kwok Tai James	4/4	1/1

Apart from regular Board meetings, the chairman of the Board also held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Model Code for Securities Transactions

Our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

Our Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of our Company in respect of their dealings in our Company's securities.

CORPORATE GOVERNANCE REPORT

Delegation by our Board

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

Corporate Governance Function

Our Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Audit Committee

The Audit Committee comprises three members and is chaired by an independent non-executive Director, Mr. Li Kwok Tai James, and consists of another two independent non-executive Directors, Ms. Zhao Yan and Mr. Gong Peiyue.

The principal duties of the Audit Committee include the following:

(a) to be primarily responsible for making recommendations to our Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to our Board, identifying and making recommendations on any matters where action or improvement is needed; and

(d) to monitor the integrity of our Company's financial statements, annual reports, accounts, half yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them.

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

During the Reporting Period, the Audit Committee held two meetings to review the annual results of the Group for the year ended December 31, 2023, the interim results for the six months ended June 30, 2024 and to assist the Board in reviewing the financial reporting system, the effectiveness and operational evaluation of the risk management and internal control systems, as well as the corporate governance policies and practices of the Company.

The attendance of the Audit Committee members at the Audit Committee meetings held during the Reporting Period is set out in the following table:

Audit Committee members	**Number of meetings attended/ eligible to attend**
Mr. Li Kwok Tai James	2/2
Ms. Zhao Yan	2/2
Mr. Gong Peiyue	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Nomination Committee comprises three members and is chaired by an executive Director, Mr. Li, and consists of two independent non-executive Directors, Ms. Zhao Yan and Mr. Gong Peiyue.

The principal duties of the Nomination Committee include the following:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and to make recommendations on any proposed changes to our Board to complement our Company's corporate strategy;

(b) to develop the criteria, process and procedures for identifying and assessing the qualifications of and evaluating candidates for directorship, including standards for determining Director independence and criteria for the evaluation of Director performance;

(c) to identify individuals who are suitably qualified to become a member of our Board and to select or make recommendations to our Board on the selection of individuals nominated for directorships;

(d) to make recommendations to our Board on the appointment or re-appointment of directors and succession planning for directors, in particular, the chairman of our Board and the chief executive of our Company; and

(e) to develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to our Board for decision.

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

During the Reporting Period, one Nomination Committee meeting was held to (i) review the structure, size and composition of the Board, (ii) assess the independence of the independent non-executive Directors, (iii) consider the qualifications of the retiring Directors standing for re-election at the annual general meeting, and (iv) review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained. The attendance of the Nomination Committee members at the Nomination Committee meetings held during the Reporting Period is set out in the following table:

Nomination Committee members	Number of meetings attended/ eligible to attend
Mr. Li Xiang	1/1
Ms. Zhao Yan	1/1
Mr. Gong Peiyue	1/1

CORPORATE GOVERNANCE REPORT

Director Nomination Policy

Our Board has adopted a nomination policy which sets out the selection criteria and process in relation to the selection, appointment and re-appointment of the Directors and aims to ensure that our Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to our Company's business.

The nomination policy sets out the factors for assessing the suitability and the potential contribution to our Board of a proposed candidate, including but not limited to the following:

(a) character and integrity;

(b) qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under our board diversity policy that are relevant to our Company's business and corporate strategy;

(c) requirement for our Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independence with reference to the independence criteria set out in Rule 3.13 of the Listing Rules;

(d) potential contributions the candidate can bring to our Board in terms of qualifications, skills, experience, independence and gender diversity; and

(e) the willingness and ability to devote adequate time to discharge duties as a member of our Board of our Company.

Nomination Procedure and Process

The nomination procedure and process adopted by the Nomination Committee to select and recommend candidates for directorship are as follows:

(i) the Nomination Committee shall formulate a selection criteria list of candidates for directorship, the list will consider the Board's existing structure, scale, the Board Diversity Policy and the needs of talent groups and the Board, the candidates shall equip with the characteristics of coordinating with the expansion of the overall talent groups, experiences and expertise of the Board;

(ii) our Company shall identify suitable candidates for directorship through various channels, including the recommendations from the Directors, the Shareholders, the management or external head hunting companies;

(iii) the joint company secretaries of the Company must obtain the personal information of the nominated candidates in accordance with the regulations of rule 13.51(2) of the Listing Rules;

CORPORATE GOVERNANCE REPORT

(iv) the Nomination Committee shall perform sufficient due diligence on the individual candidate for directorship and make recommendations to the Board for the consideration and approval;

(v) to ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out the expectation in terms of time commitment, committee service and involvement outside meetings of the Board;

(vi) in the context of re-appointment of any existing members 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 the annual general meeting;

(vii) the Board shall have the final decision on matters related to the selection and appointment of directorship; and

(viii) the Board shall recommend the retiring Director to stand for re-election at the annual general meeting in accordance with the recommendations from the Nomination Committee. The appointment of retiring Director is subject to the approval at the annual general meeting.

Remuneration Committee

The Remuneration Committee comprises three members and is chaired by an independent non-executive Director, Mr. Gong Peiyue, and consists of one executive Director, Ms. Yu, and one independent non-executive Director, Ms. Zhao Yan.

The principal duties of the Remuneration Committee include the following:

(a) to make recommendations to our Board on our Company's policy and structure for the remuneration of all the directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(b) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by our Board from time to time;

(c) to either: (i) determine, with delegated responsibility, the remuneration packages of executive directors and senior management; or (ii) make recommendations to our Board on the remuneration packages of executive directors and senior management, including benefits in kind, pension rights and compensation payments, and including any compensation payable for loss or termination of their office or appointment;

(d) to make recommendations to our Board on the remuneration of non-executive directors of our Company;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Company;

(f) to consider the level of remuneration required to attract and retain directors to manage our Company successfully; to ensure that no director or any of his/her associates is involved in deciding his or her own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his or her own remuneration;

(g) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

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

(i) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

(j) to advise Shareholders on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules, and as to whether the terms are fair and reasonable, and whether such contracts are in the interests of our Company and the Shareholders as a whole.

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

During the Reporting Period, one Remuneration Committee meeting was held to review the remuneration of directors and senior management of comparable companies and make recommendation to the Board on remuneration policy and the remuneration packages of all Directors and senior management members of the Company. The attendance of the Remuneration members at the Remuneration Committee meetings held during Reporting Period is set out in the following table:

Remuneration Committee members	**Number of meetings attended/ eligible to attend**
Mr. Gong Peiyue	1/1
Ms. Yu Lu	1/1
Mr. Zhao Yan	1/1

Remuneration of Directors and Senior Management

Our Directors and senior management of our Company receive compensation in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of our Directors and senior management, as well as the performance of our Group.

CORPORATE GOVERNANCE REPORT

Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among other things, market level of remuneration and compensation paid by comparable companies, respective responsibilities of our Directors and senior management and performance of our Group.

The remuneration policy for independent non-executive Directors is to ensure that independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

Details of the remuneration by band of the members of the senior management of our Company (excluding Director or chief executive of the Company), whose biographies are set out on pages 12 to 16 of this annual report, for the year ended December 31, 2024 are set out below:

Remuneration band	Number of individual
Nil – HK$1,000,000	2

The remuneration of each Director and the chief executive are set out in note 7 to the consolidated financial statements.

For the Reporting Period, no emolument was paid by our Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office.

For the Reporting Period, none of the Directors has waived or agreed to waive any emoluments.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2024 which give a true and fair view of the affairs of our Company and our Group and of our Group's results and cash flows.

Our Board has been provided such explanation and information as are necessary to enable our Board to carry out an informed assessment of our Company's financial statements, which are put to our Board for approval.

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

The statement by the auditor of our Company regarding their reporting responsibilities on the consolidated financial statements of our Company is set out in the Independent Auditor's Report on pages 92 to 97 of this annual report.

CORPORATE GOVERNANCE REPORT

Internal audit function

Based on the risk-based approach, the internal audit department continuously review and monitor the adequacy and effectiveness of the risk control measures of every business unit of the Group and to examine if relevant measures have been implemented. The senior executives of the internal audit function will attend Audit Committee meeting to explain the results of the internal audit and responded to the questions of the members of the Audit Committee.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for our Company's risk management and internal control systems and for reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate risks of failure to achieve the business objectives of our Group and to only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, our Board supervised the design, implementation and monitoring of the risk management and internal control systems, and reviewed the adequacy and effectiveness of the risk management and internal control systems of our Group on an ongoing basis; such review covered all major control aspects of our Group, including financial, operational and compliance controls. Our Board is of the view that the risk management and internal control systems of our Company for the year ended December 31, 2024 is effective and adequate.

Our Group's risk management and internal control systems covered each operation department, to ensure that our Group could effectively manage the key factors that might affect our Group in achieving its strategic objectives, such factors including events, accidents or behaviors with a material impact on our Group's reputation, assets, capital, profit or liquidity.

Our Company has adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Our audit committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. We have adopted or will continue to adopt, among other things, the following principles:

(a) establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of Mr. Li Kwok Tai James, chairman of the committee, Ms. Zhao Yan and Mr. Gong Peiyue. For the qualifications and experiences of these members, see "Directors and Senior Management";

(b) adopt various policies to ensure the compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosure;

CORPORATE GOVERNANCE REPORT

(c) appoint Ms. Yu and Ms. Lam Wing Chi as our joint company secretaries to ensure the compliance of our operation with applicable laws and regulations. For their biographical details, see "Directors and Senior Management";

(d) appoint Maxa Capital Limited as our compliance advisors upon the Listing to advise us on compliance with the Listing Rules;

(e) engage external legal advisors to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary;

(f) provide regular anti-corruption, anti-bribery, anti-money laundering and sanctions related compliance training for senior management and employees in order to enhance their knowledge of and compliance with applicable laws and regulations, our Company's anti-corruption policy, whistleblowing policy and other relevant policies; and

(g) arrange our Directors and senior management to attend training seminars on the Listing Rules requirements and the responsibilities as directors and senior management of a Hong Kong-listed company.

In accordance with the requirements of the SFO and the Listing Rules, our Group shall disclose to the public any insider information as soon as possible after such information comes to the attention of our Group, unless such information is within the scope under any safe harbours provision in the SFO. Our Group will ensure such information will be kept confidential before it is fully announced to the public. If our Group considers that the confidentiality required cannot be kept, or such information may have leaked already, such information will be disclosed to the public immediately. We also endeavour to ensure that the information contained in the announcement shall not be deceptive or misleading in all material aspects, and there are no other material matters the omission of which would make the information contained therein to be deceptive or misleading, such that the insider information disclosed can be made available to the public in an equal, timely and effective manner. In addition, if there is any significant risk events, the related information will be disclosed to appropriate authorities and personnel, so that appropriate decisions and measures can be made and implemented by our Group to deal with such risk events. Meanwhile, in order to further develop the risks management culture of the enterprise, as well as to enhance the risk awareness of our staff, our Group has already rolled out training programs to enhance the risk awareness of our staff, so that we can assure to maintain the balance between business expansion and risks management in our operation.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to our Group during the Reporting Period was approximately as follows:

Type of Services	**Amount**
	US$'000
Audit services	
– audit services on the financial statements of our Group for the Reporting Period	225
Non-audit services	
– non-audit service in relation to interim review and internal control review	119
Total	344

JOINT COMPANY SECRETARIES

Ms. Yu, executive Director, deputy chief operating officer and one of the joint company secretaries of our Company, is responsible for advising our Board on corporate governance matters and ensuring that our Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

We have appointed Ms. Lam Wing Chi as another joint company secretary of our Company to assist Ms. Yu in discharging her duties as a joint company secretary, including compliance matters relating to the Listing Rules and other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date. For Ms. Lam's biographic details, see "Directors and Senior Management" of this annual report. Ms. Yu is the primary contact of Ms. Lam in our Company.

For the Reporting Period, each of Ms. Yu and Ms. Lam Wing Chi has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

CORPORATE GOVERNANCE REPORT

The AGM of our Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of our Company and the chairmen of our Board committees of our Company will attend the AGM to answer Shareholders' questions. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, our Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between our Company and the Shareholders and maintains a website of our Company at www.empowerwin.com, where up-to-date information on our Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. During the Reporting Period, the Board has reviewed the implementation of the shareholders' communication policy and considers its implementation as effective.

SHAREHOLDERS' RIGHTS

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

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 our Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Acts of the Cayman Islands. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisition convene an extraordinary general meeting following the procedures set out below.

CORPORATE GOVERNANCE REPORT

Shareholders may put forward proposals for consideration at a general meeting of our Company according to the Articles of Association. Any one or more member(s) holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of our Company carrying the right of voting at general meetings of our Company shall at all times have the right, by written requisition to our Board or any one of the joint company secretary of our Company, to require an extraordinary general meeting of our Company to be called by our Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit our 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 our Board shall be reimbursed to the requisitionist(s) by our Company.

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

Enquiries to our Board

Shareholders who intend to put forward their enquiries about our Company to our Board could send their enquiries to the principal place of business of our Company in Hong Kong at Room 3709, West Tower, Shun Tak Centre, Sheung Wan, Hong Kong (email address: ir@empowerwin.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the Memorandum and Articles of Association during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Introduction

The Group is a leading cross-border digital marketing service provider in China. Over the years, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities. Depending on marketers' needs and the depths of our services, our cross-border digital marketing services can be categorized into three service types, namely: standardized digital marketing services, customized digital marketing services, and SaaS-based digital marketing services. We also provide cross-border online-shop SaaS solutions which enable cross-border e-commerce merchants to build, operate, manage and market their own standalone online shops. Going forward, we will continue to optimize and upgrade our Adorado and Powershopy platforms, expand marketer coverage, broaden sales channels, and enhance brand reputation, establish our global business network and strengthen our capabilities to provide localization services in overseas markets and selectively seek opportunities for strategic cooperation and investment.

We are fully committed to safeguarding the environment, being socially responsible, and maintaining stringent and impartial corporate governance and internal control in our daily operations. This report aims to disclose the Group's commitments, approach, and performance in sustainable development to its stakeholders.

About this Report

The Group is pleased to release its third Environmental, Social and Governance ("**ESG**") Report (the "**Report**"). The Report aims to disclose the sustainability strategies and management approaches of the Group, and to highlight the performance of various aspects of ESG to its stakeholders, thereby promoting its sustainable development and planning. The Report has been uploaded to the Group's website (www.empowerwin.com) and the website of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for public inspection. The Report is in both Chinese and English. If there is any inconsistency, please refer to the English version.

Reporting Scope and Period

The Report sets out the Group's policies, measures, and performance in ESG aspects during the period from January 1, 2024 to December 31, 2024 (hereinafter, the "**Reporting Period**") in detail.

Unless otherwise stated, the content of the Report mainly covers the ESG performance and related information of Powerwin Tech Group Limited and its subsidiaries ("**Powerwin**"). Through reporting to our stakeholders, the Group discloses its measures and performance on sustainable development issues transparently and openly. We believe that summarizing and disclosing the Group's performance to stakeholders can enhance our transparency and further improve our sustainable development performance. Overall, there are no material changes to the reporting scope of the Year compared to 2023's ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Guidelines and Principles

The Report has been prepared in compliance with the disclosure requirements of the "ESG Reporting Guide" (the "**Guide**") set out in Appendix C2 of the Rules Governing the Listing of Securities (the "**Listing Rules**") issued by the Stock Exchange and has fully adhered to the reporting principles in the Guide, which materiality, quantitative, balance and consistency are the basic principles for report preparation. The application of relevant reporting principles is as follows:

Materiality	The Group communicates with major stakeholders on a regular basis and has conducted an annual materiality assessment survey to identify and evaluate ESG issues that are important to the Group and relevant stakeholders, so as to determine the reporting content and make focused disclosure.
Quantitative	In accordance with the Guide, the Group has recorded and collected data on various ESG key performance indicators ("**KPIs**") where feasible and disclosed relevant quantitative information and historical data in the Report for comparison and evaluation. In addition, the standards, methods, assumptions, calculation tools, and references adopted by each KPI have been properly indicated in the Report.
Balance	Following the principle of impartiality, the Report has disclosed both achievements and challenges of the Group in aspects of environment, society, and governance in a truthful and comprehensive manner, for readers to evaluate relevant performance objectively and fairly.
Consistency	The Report has been prepared according to consistent standards, and the reporting scope, data statistics, and reporting methods are basically the same as the 2023 ESG Report, to ensure the comparability of the reports. Meanwhile, the Group has included corresponding explanations for any inconsistencies (if any) with previous reports.

The Report has complied with the "Mandatory Disclosure Requirements" and the "Comply or explain" provisions set out in the Guide. Except for provisions that the Group considers not applicable to its business operations or provide partial disclosure, relevant explanations have been given in the corresponding sections. The data and information contained in the Report are mainly from internal documents and statistical data of the Group, and the content of the Report has been reviewed and confirmed by the board of directors ("**Board of Directors**" or "**Board**").

Approval

The Report was approved by the Board of Directors on 26 March 2025 upon confirmation from the management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholders' Feedback

The Group attaches great importance to stakeholders' opinions and aims to further improve its sustainability performance in the future. The Group therefore welcomes all parties to provide comments or suggestions on the Report and its sustainability performance. Please share your views with us via email: ir@empowerwin.com.

The Statement of the Board of Directors

The Group understands that the leadership and participation of the Board are crucial to the implementation of sustainable development strategies. Therefore, the Board shoulders the responsibility of leading and supervising ESG-related matters and is responsible for leading the Group to seize the opportunities and respond to the risks brought by sustainable development. The Board annually decides on and monitors ESG policies and strategies, including the approval and consideration of ESG-related goals, progress review of the goals, evaluation, prioritisation of the materiality, etc. At the same time, the Board has approved the establishment of an ESG task force for the Group and authorised it to monitor and implement various ESG-related matters, to further improve the effectiveness of sustainable development governance. We have been striving to integrate the concept of sustainable development with the Group's overall strategy, policies, and business plans, to further guide the Group in its pursuit of value chain excellence while achieving its sustainability vision.

The Group's Future Development and Commitments

We regard our commitment to the environment, employees, customers, and communities as the four strategic pillars of the Group's sustainable development and formulate corresponding ESG management policies and work plans. The Group insists on communicating and cooperating closely with all stakeholders including our employees, shareholders and investors, suppliers, customers government departments, and communities in a candid, open, and responsible manner. At the same time, we continue to pay attention to the market development trends and the expectations of all sectors of society, and constantly review and adjust our ESG strategies, policies and measures so that we can quickly respond to various new opportunities and risks and further promote our sustainable development process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's Future Development and Commitments (Continued)

Commitment to Customers

- Providing reliable service to customers
- Improving the user experience

Commitment to Community

- Participating in community activities actively
- Creating value for the community
- Shouldering social responsibilities

SUSTAINABLE DEVELOPMENT STRATEGY

Commitment to the Environment

- Protecting the environment
- Responding to the climate change
- Saving energy and reducing emissions
- Implementing green procurement
- Realizing a circular economy

Commitment to Employee

- Committed to creating a harmonious, safe and healthy working environment
- Investing resources in employee training and development
- Offering good career development opportunities to employees

To realize its sustainable development vision, the Group is committed to integrating sustainability concepts into our daily business operation through a comprehensive sustainability governance structure. The Group has a three-level sustainability governance structure, which is composed of the Board of Directors, the ESG Working Group, and the internal working groups to improve communication between the decision-making and execution levels, allowing thorough integration of corporate governance, environmental management, and social responsibility concepts into its daily operations. To enhance its corporate governance standard, the Group has also actively promoted Board diversity and adopted the "Board Diversity Policy". When selecting members of the Board of Directors, the balance of different genders, ages, backgrounds, professional knowledge, etc. will be fully considered. With the diverse skills, experience, and perspectives of members, its decision-making capabilities for sustainable development can be advanced. Please refer to the "Corporate Governance Report" of the Group for more details.

Board of Directors

As the highest governance body of the Group, the Board of Directors assumes overall responsibility for ESG and climate-related matters. Their roles and responsibilities include:

- Regularly review and renew sustainable development strategies, ESG management, and performance to ensure the effective implementation of relevant policies
- Monitor and manage ESG-related risks and opportunities
- Review the progress of ESG-related work and goals
- Supervise and approve the Group's ESG matters and reports

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Working Group

The ESG Working Group is authorized by the Board of Directors and composed of the Group's senior management, heads of functional departments, heads of branch divisions, and company secretary. It assists in coordinating and supervising ESG work and reports to the Board of Directors regularly. Their roles and responsibilities include:

- Set and implement relevant policies and measures following the Board's guidelines on ESG matters in each department
- Assist the Board of Directors in identifying, assessing, and managing ESG-related risks, and provide advice on formulating policies, goals, and work plans
- Regularly report ESG work performance to the Board of Directors to help review and improve the Group's sustainable development strategy and management
- Collect and manage ESG-related data and information, assist in the preparation of annual ESG reports and disclosure of related information

Risk Management

The effectiveness of risk management is critical to the long-term growth sustainability of the Group's business. Effective ESG management helps us respond to various sustainable development risks and opportunities in a timely and effective manner. The Group has established a comprehensive ESG management system, which is divided into three levels and adopts a top-down management method, to consistently identify and evaluate the risks associated with its business operations.

At the Group level, the Board is responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. Corresponding management and control measures are implemented based on the severity of these risks. The Group has taken steps to mitigate the impacts of these risks in a timely manner, demonstrating its commitment to sustainable and responsible operations. Moreover, the Group has set up the Audit Committee, Remuneration Committee, and Nomination Committee under the supervision of the Board to conduct annual assessments on the existing and potential risks faced by the Group as a whole, review the effectiveness and suitability of the Group's internal control system, and give full play to the supporting role of laws, auditing, and discipline supervision, to ensure legal and compliant operations of the Group. In addition, the Group has also established an internal audit department, which is responsible for the construction, operation, and maintenance of the Group's risk prevention and control system.

We have incorporated ESG risks into the Company's risk assessment and management system, including risks related to ESG matters. The response measures are set out in the corresponding sections of this report. The Board has also engaged an external advisor about ESG matters. These measures shall ensure the sustainable and responsible growth and operation of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Task Management

The Board is responsible for approving the Group's ESG-related targets and reviewing the progress of their achievement; the ESG working group is responsible for formulating the relevant targets and work plans, overseeing the progress of implementation, and reviewing their effectiveness. In the future, the Group will aim to promote its experience and set up environmental-related targets on more campuses to promote ecological protection.

Compliance Management

Complying with all applicable laws and regulations is the basic requirement of the Group in its operations and is also a reflection of its social responsibility. We understand that violations of laws and regulations will have various impacts on the Group. Impacts may include damage to the ability to operate a business, damage to public image and credibility, as well as legal penalties and litigation. Therefore, we have developed and implemented a series of policies and systems to strengthen compliance management and ensure that business activities comply with all relevant legal and regulatory requirements. The Board of Directors and the Audit Committee are responsible for reviewing and evaluating the internal control system.

During the Reporting Period, the Group had no cases of violations of laws and regulations related to various ESG aspects, and there were no corruption lawsuits filed against the Group or its employees. For details on the Group's corporate governance practices including risk and compliance management, please refer to the section headed "Corporate Governance Report" of the Group's annual report.

Stakeholder Engagement and Materiality

Long-term support and trust of stakeholders is an important factor for the company's sustainable growth, and it also provides a solid foundation for us to formulate and implement effective sustainable development strategies, policies and measures.

The Group attaches great importance to establishing and maintaining two-way communication with stakeholders and strives to understand and respond to the concerns and expectations of various stakeholders to maintain close cooperation. Through a diversified and highly transparent communication platform, we regularly collect valuable opinions and suggestions from different stakeholders so that we can make corresponding improvements and adjustments in business management and sustainable development strategies to enhance ESG governance levels and performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement and Materiality (Continued)

Major Stakeholder	Communication Channels	Focus on issues	The Group's response and measures
Shareholders/ Investors	– Annual general meetings and other general meetings – Annual reports and interim reports – Corporate communications (such as letters/circulars and meeting notice) – Results announcements – Investor meetings – Interviews – Investor relations emails	– Protection of shareholders' rights and interests – Accurate and timely disclosure of information – Enhancement of corporate governance – Risk management and control – Development of the Group's business and prospects – Formulation of business and financial strategies	– Convene annual general meetings and special general meetings – Improve transparency of information disclosure – Strengthen risk management and control – Promote sustainable development of the group
Employees	– Emails, memorandums, and notices – Performance appraisals – Interviews – Seminars/workshops/ speeches – Staff intranet – Regular training	– Protection of employee benefits and rights – Provision of competitive salary and welfare – Ensurance of labour protection at the workplace – Promotion of employee development and training – Encouragement of employee involvement and policy democracy – Cultivation of corporate culture – Support for personal physical and mental health	– Follow labor standards – Provide competitive salary and benefits – Implement health and safety management system – Improve career development and training system – Hose employee events – Establish a smooth and transparent communication mechanism to understand employees' opinions
Customers	– Daily operations/ communications – Telephone – Video conferences – Emails – Service brochure – Satisfaction survey	– Customer service – Teaching quality – Transparent and reliable information – Data security and customer privacy management – Customer service and complaint handling	– Respond quickly to customer needs – Strengthen quality management – Upgrade information and network security systems

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement and Materiality (Continued)

Major Stakeholder	Communication Channels	Focus on issues	The Group's response and measures
Suppliers/Partners	– Management procedures for suppliers – Supplier evaluation mechanism – Video conferences – Regular on-site research and investigation – Mobile communication applications (such as WeChat)	– Supply chain management and sustainable development – Protection of suppliers' rights and interests – the Code of Business Conduct – Anti-corruption and anti-fraud	– Implement supplier admission and delisting mechanism – Conduct supplier training – Strengthen cooperation and communication – Commitment to operate with integrity
Government	– Report disclosure – Regulatory information submission – Forum exchange activities – Meetings and discussions with government authorities	– Compliance with laws and regulations – Ensurance of workplace safety and health – Adherence to national policies	– Ensure operations and legal compliance – Implement workplace safety measures
Community	– Site visit – Community activity – Social media – Public welfare activities	– Creation of economic benefits and promotion of employment – Provision of welfare for the community – Protection of the environment and natural resources	– Participate in community construction and services – Organize volunteer activities and encourage employees to actively participate

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

To promote its sustainable development, the Group regularly understands stakeholders' opinions and concerns on ESG matters through materiality assessment. During the Reporting Period, the Group continued to engage an independent sustainability consultant to conduct a materiality assessment. By inviting both internal and external stakeholders to participate in a questionnaire survey, the assessment followed a structured three-step process: identification, prioritization, and verification.

Based on the survey results, the Group has confirmed the materiality and impact of each sustainability issue on its sustainable development and determined the disclosure focus of the Report. Moreover, the Group will prioritize enhancing ESG management of relevant issues and integrate these considerations into future strategic planning and risk management adjustments.

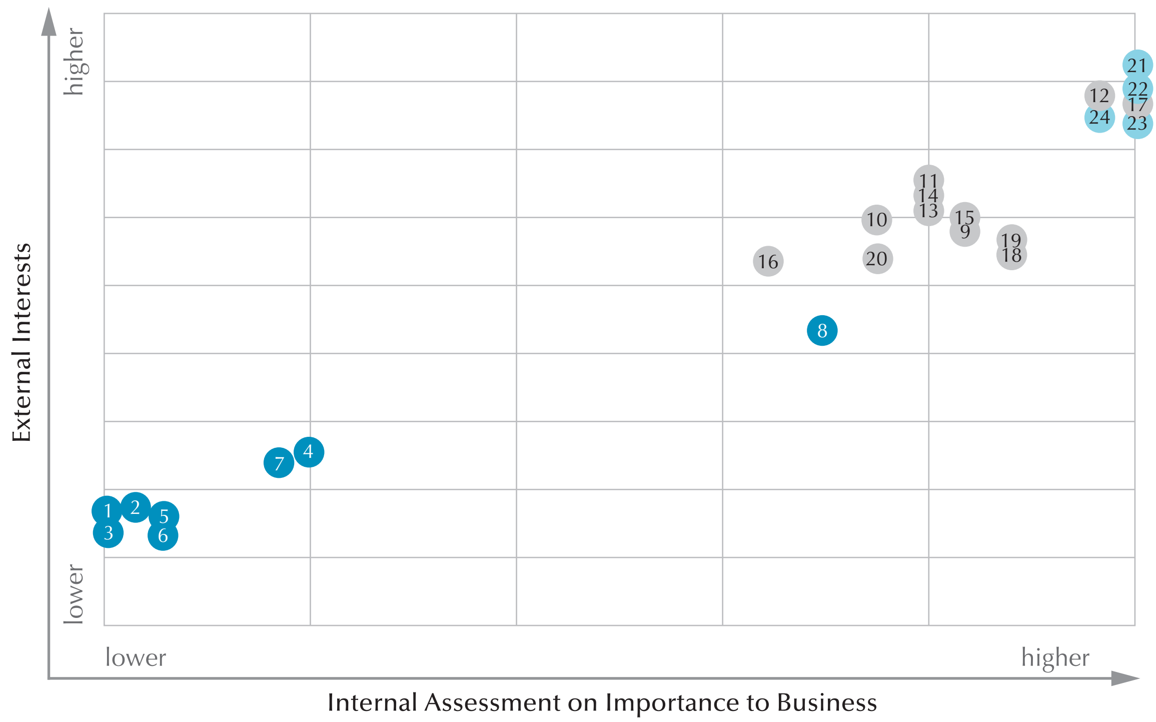
1 Identification	• Referring to the "Guidelines", reporting trends and industry practices, and screening based on the group's internal situation, 24 ESG issues closely related to the group's business were identified.
2 Prioritization	• Invite internal and external stakeholders to participate in an online survey to rate the importance of ESG issues. • Collect scores on two dimensions of each ESG issue, including the impact on the Group's corporate value (financial importance) and the Group's impact on the economy, environment, and society (impact importance), to determine the overall importance of each ESG issue. • Develop a materiality matrix and priority list of ESG issues.
3 Verification	• After the assessment results are reviewed and confirmed by the Board of Directors and senior management, the Group will make targeted responses and focused reports.

The stakeholder questionnaire survey of the Reporting Period was conducted online, 51 valid responses were received in total. Combining the impact of the issues on the Group's corporate value and the Group's impact on the economy, environment, and society, the following matrix shows the overall importance level of the 24 ESG issues, covering three aspects of "Environment", "Society", and "Governance" to compile the questionnaire. We identified five ESG issues after analysing the importance of the issues to the Group's operations and stakeholders, considering the industry background, development status, and strategic planning. The five ESG issues, including "Business Ethics and Integrity", "Risk Management", "Data Security and Customer Privacy Management", "Intellectual Property Protection", "Development and Training", located on the upper right side of the materiality matrix curve are regarded as "important issues", and the Group will make targeted responses on relevant issues. At the same time, we will prioritize strengthening ESG management work on these issues and incorporate them into the Group's future strategic planning and risk management considerations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment (Continued)

MATERIALITY OF DIFFERENT TOPICS FROM STAKEHOLDER ENGAGEMENT



	Environment		Society		Governance
1	Air Emission	9	Employment Practices	21	Business Ethics and Integrity
2	Greenhouse Gas Emissions	10	Employee Participation	22	Risk Management
3	Waste Management	11	Diversity and Equal Opportunities	23	Intellectual Property Protection
4	Energy Consumption	12	Development and Training	24	Innovation and Technology
5	Water Usage	13	Occupational Health and Safety		
6	Raw Materials Consumption	14	Labour Management		
7	Climate Change and Resilience	15	Quality and Safety of Products and services		
8	Product Lifecycle Management	16	Customer Engagement		
		17	Data Security and Customer Privacy Management		
		18	Responsible Marketing and Labelling		
		19	Responsible Supply Chain Management		
		20	Community Engagement and Investment		

Materiality Assessment (Continued)

We firmly believe that the opinions of stakeholders have an important impact on the Group's achievement of sustainable development goals. Further understanding and respecting the views and needs of stakeholders will enable the Group to make better decisions and plans. In the future, the Group will continue to strive to establish and maintain positive interactions with stakeholders through diversified, transparent, and effective communication channels, optimize sustainable development strategies, and make us more successful in the pursuit of sustainable development.

A. COMMITMENT TO ENVIRONMENT

The Group attaches great importance to sustainable development and regards environmental protection as one of its core responsibilities.

In its daily operations, the Group strictly abides by environmental laws and regulations of the place where we have operations and strives to minimize the negative impact on the environment and climate. The Group primarily conducts its operations through offices and training centers, we believe that the Group's business operations have little direct impact on emissions, use of resources, environment and natural resources, and climate change. Nevertheless, the Group recognizes environmental protection as a critical component of its corporate responsibility. We are firmly committed to advancing corporate social responsibility ("**CSR**") and sustainable development, ensuring that these principles are seamlessly integrated into all key facets of our business operations. We attach great importance to environmental protection and strictly abide by the Environmental Protection Law of the People's Republic of China (the "**PRC**"), the Law of the PRC on Conserving Energy, and other laws and regulations.

During our business development, the Group actively embraces the principles of energy conservation and environmental protection by implementing a range of targeted measures. We are committed to advancing clean, efficient, and sustainable practices across our operations. To this end, we have established internal policies focused on conserving energy, water, paper, and other vital resources, while also reducing greenhouse gas (GHG) emissions and air pollutants from vehicles. Additionally, we actively promote and support environmental initiatives, including climate change mitigation, and strive to enhance employee awareness and engagement in environmental protection efforts.

We will systematically evaluate and monitor the progress of our environmental protection initiatives, closely tracking emission sources and identifying further opportunities for energy conservation and emission reduction. By establishing and refining relevant policies, we aim to ensure the efficient and responsible use of resources, thereby minimizing our environmental footprint. Below are some of the key initiatives we have undertaken in support of environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions

The Group is principally engaged in digital marketing and online shop SaaS solutions which does not directly generate a large amount of waste gas and greenhouse gas emissions nor discharges into water or land, such as nitrogen oxides, sulfur oxides, and respiratory suspended particles. Our carbon footprints mainly come from the use of electricity and water in offices, the use of office materials, the waste generated from operations, and business trips. We have implemented environmental protection measures with energy management, water resource management, and waste reduction, to minimise the impact on the environment and natural resources. The Group has established internal guidelines to enhance employees' awareness to reduce emissions in our daily operational processes, consistently improve production methods and efficiency, and ensure that wastes are properly handled and treated. We evaluate our electricity consumption in accordance with relevant regulations and policies and endeavour to proactively conserve energy in response to the government's initiatives.

During the Reporting Period, the Group did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations that had a significant impact on the Group.

A1.1 Air Emissions

During the Reporting Period, the Group consumed petrol from our business operations. The following table presents details of air emissions figures in 2024:

	2024		2023	
The type of emissions	**Emission (g)**	**Intensity (g/Thousand USD in revenue)**	Emission (g)	Intensity (g/Thousand USD in revenue)
Total NOx emissions	**358.56**	**0.027**	199.45	0.009
Total PM emissions	**26.40**	**0.002**	14.69	0.001

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.2 Greenhouse Gas Emissions

During the Reporting Period, 39.57 (2023: 39.54) tonnes of carbon dioxide equivalent (tCO_2e) greenhouse gases ("**GHG**", mainly carbon dioxide, methane, and nitrous oxide) were emitted from the Group's operations. The Group's GHG emissions are generated indirectly mainly from purchased electricity and water consumption during operation, landfill, paper consumption, emissions from air travel of employees for business trips, etc. The calculation of GHG includes Scope 1, 2 and 3.

Scope of GHG	Emission Sources	Emission (in tCO_2e) 2024	Total Emission (in %) 2024	Emission (in tCO_2e) 2023	Total Emission (in %) 2023
Scope 1 Direct Emissions	Combustion of fuel in stationary and mobile sources, release of refrigerants from the operation of equipment and Systems	**1.44**	**3.63**	0.78	1.97
Scope 2 Energy Indirect Emission	Purchased electricity	**34.51**	**87.23**	35.28	89.23
Scope 3 Other Indirect Emissions	Paper waste disposal	**0.57**	**1.44**	0.64	1.62
	Business air travels	**3.04**	**7.70**	2.84	7.18
Total		**39.57**	**100.00**	39.54	100.00

The overall intensity was 2.94 (2023: 1.84) $kgCO_2e$ per thousand USD in revenue. We endeavor to reduce the intensity of carbon emission by 3% of our current discharge for the next five years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.2 Greenhouse Gas Emissions (Continued)

Scope 3 Emissions from Third-party Server Services

We utilize an increasing amount of third-party cloud storage and server services to operate, in particular, our cross-border online-shop SaaS solutions business. Energy consumption has become a major component of the environmental footprint of a data center. Emissions from suppliers, such as our server service providers, are counted as scope 3 emissions in ESG disclosures, which tends to be reported voluntarily to avoid double counting.

To address our indirect environmental impact through third-party server service providers, we intend to enhance our ESG (Environmental, Social, and Governance) practices by actively evaluating the carbon footprint of these providers. Environmental performance will be integrated as a key criterion in our assessment process, ensuring that our partners demonstrate robust capabilities in sustainable operations and a commitment to ongoing efforts to minimize their environmental impact. When screening server service providers in the future, low carbon will be our top priority criteria with evaluation metrics emphasizing environmental impact, energy and resource utilization, use of renewable energy and other innovative means for producing a smaller carbon footprint.

A1.3 Hazardous Waste

Due to the nature of our business, we do not generate any hazardous waste during our operations.

A1.4 Non-hazardous Waste

Due to the business nature, the emission of noise, exhaust gas waste, water waste and packaging materials are immaterial. To reduce the impact of our disposal of non-hazardous waste on the environment, we monitor our waste discharge level on a regular basis. Proper guidelines are provided to our employees on waste classification and disposal. We aim to maintain a 100% compliance rate in relation to waste disposal. The Group's operations generated approximately 375.00kg (2023: 375.00 kg) of non-hazardous waste, which mainly included everyday non-hazardous waste, and other paper waste.

The intensity was 27.87g (2023: 17.44g) of non-hazardous waste per thousand USD in revenue.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.5 Measures to Mitigate Emissions

The Group always advocates the concept of "green and sustainability" and is committed to making progress towards sustainable low-carbon operations and attempts to minimize resource consumption in daily operations. Currently, we formulate internal environment policies to reduce the impacts on the environment arising from our operations.

During the Reporting Period, the Group has taken the following resources-saving measures during its operations:

- The administrative department of the Group assesses and reports figures of consumption to the management team regularly. If there is any deviation, the Group will investigate the cause and take appropriate corrective measures;

- Reducing the use of electronic light when the natural lighting is sufficient;

- Not using air-conditioners when the natural room temperature is suitable for office work;

- Switching off lights and powers for electronic devices when not used;

- Turning off air-conditioners, computers, and other electronic equipment during non-working hours to enhance our staff's awareness of the efficient use of electricity and the importance of energy conservation and reduction of GHG emissions;

- Reducing the use of disposable products including wooden chopsticks, paper cups, paper towels, and advocating for proper waste separation;

- Nominated five staff as responsible personnel, each of them being responsible for daily overseeing the implementation of relevant measures to save energy and reduce carbon emissions within their designated areas;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.5 Measures to Mitigate Emissions (Continued)

- Adoption of the internal policy to encourage paperless operation to reduce the use of paper and carbon emissions;

- Adoption of various online systems to support our daily business operations;

- Target to deepen the degree of paperless operation by further developing our business and internal management systems such as CRM systems to include more functions to be realized through them.

During the Reporting Period, there were no breaches or violations of the PRC environmental laws and regulations applicable to our business operations that would have a material and adverse effect on our business, results of operations, or financial condition.

A1.6 Waste Reduction and Initiatives

The Group understands the importance of good waste management practices and strictly complies with the Law of the PRC on the Prevention and Control of Solid Waste Pollution, the Law of the PRC on Prevention and Control of Atmospheric Pollution, the Law of the PRC on Prevention and Control of Water Pollution, the Integrated Wastewater Discharge Standard, and other relevant environmental laws and regulations.

The Group's operations involve the generation of general garbage, paper, and other non-hazardous waste. Through the specification of the management system, we reasonably classify, collect, store, and process all non-hazardous waste. To achieve the waste reduction goals of recycling, reducing waste, and saving costs, the Group advocates waste reduction at the source, strengthens the management and control of production units based on the principle of waste minimization, and reduces unnecessary waste generation.

Non-hazardous waste is collected and handled by the administration department. Paper is used for daily office operations such as document printing and deliverable packaging. Paper-saving initiatives are encouraged among employees, such as adopting double-sided printing and printing with single-sided paper. We also encourage using electronic documents for document issuance and notification for promoting a paperless office. The Group tries to recycle paper used whenever possible to reduce waste disposed of at landfills.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A1. Emissions (Continued)

A1.6 Waste Reduction and Initiatives (Continued)

In the Reporting Period, the Group has set annual targets for the solid waste discharge of the Group, which were mainly focused on reducing waste discharge and demonstrating improvement. The Group will continue to refine and improve waste discharge strategies, to sustainably balance business growth and environmental protection. In 2024, we used around 24,000 pieces (2023: 35,500 pieces) of paper in total, which represented a decrease of 32.39% in paper usage compared with prior year. We have set the target to reduce the number of pieces of paper by around 10% per year over the next three years.

A2. Use of Resources

The Group advocates efficient energy management to reduce our carbon footprint and promote the reasonable consumption and conservation of energy, as well as to enhance the overall efficiency of energy consumption. In accordance with relevant laws including the Law of the People's Republic of China on Energy Conservation《中華人民共和國節約能源法》and the Energy Policy, we have formulated various energy reduction systems and established administration policies, continuously reduce energy consumption and improving energy efficiency by optimizing energy structure and applying advanced energy management technologies. We endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We also encourage to minimise its use of business travel.

A2.1 Energy Consumption

A total of 61,357.80 kWh (2023: 60,429.81 kWh) of energy was consumed by the Group for its operations during the Reporting Period. The Energy consumption intensity is 4.56 kWh (2023: 3.26 kWh) per thousand USD in revenue. Electricity was the major source of energy for the Group, consuming 56,572.25 kWh (2023: 57,833.20 kWh) for computers and office equipment necessary for its daily operations. The rest of the Group's energy source was petrol used for fueling its vehicle, and 540.00 liters of petrol were consumed, which is equivalent to 4,785.56 kWh of energy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A2. Use of Resources (Continued)

A2.2 Energy Use Efficiency Initiatives

We advocate the principles of green energy conservation and making good use of resources and are committed to optimizing the use of resources and minimizing carbon emissions throughout our business. During the Reporting Period, the Group has set annual targets and taken various measures to reduce its electricity and energy consumption during operation. We formulate relevant energy-saving policies and measures to reflect our emphasis on energy efficiency. Power consumption of the Group is primarily generated by the lighting, air conditioning, and other equipment in the offices. For electronic devices, we choose models with high energy efficiency certification and power-saving modes, such as computers and printers that can automatically enter the standby or sleep mode when idling. We also procure electronic devices that can accommodate multiple servers, such as printing facilities with multi-functional printing and copying devices and avoid using a single server with higher capacity to save electricity. In the future, the Group will strive to keep on improving consumption efficiency, to balance business growth and environmental protection. We endeavor to reduce the intensity of carbon emission by 5% of our current discharge for the next five years.

A2.3 Water Use Efficiency Initiatives

The Group adheres strongly to the regulations regarding water pollution control. We obtain our domestic water supply from our property buildings and ensure that it meets the necessary standards. Due to the nature of our business, the wastewater we produced during the Reporting Period was immaterial. Nevertheless, we have implemented the following measures:

- Regularly inspect pipes and fixtures for leaks and fix them promptly to prevent water loss.

- Encourage the employees and the customers to adopt water-saving habits, such as turning off taps when not in use, using water efficiently during cleaning processes, and reporting any water leaks or issues promptly.

- Recycle water resources under suitable conditions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A3. The Environment and Natural Resources

We advocate the concept of "green and sustainability" and are committed to making progress towards a sustainable future by proactively addressing carbon emissions, waste management, energy, and water use. We formulate internal environmental policies to reduce the impacts on the environment arising from our operations.

A3.1 Significant Impacts of Activities on the Environment

The Group's full-link cross-border marketing service and online shop SaaS solutions do not have significant impacts on the environment and natural resources. The Group has established internal policies to reduce its consumption of resources, minimise business travel and encourage online meetings. The Group is also committed to purchasing from qualified suppliers who follow national environmental rules and regulations.

To encourage responsible energy consumption and conservation, thereby improving overall energy efficiency, we are committed to implementing effective energy management practices to minimize our carbon footprint. In accordance with relevant laws including the Law of the People's Republic of China on Energy Conservation and the Energy Policy《中華人民共和國節約能源法》, we have formulated various energy reduction systems and established administration policies, continuously reducing energy consumption and improving energy efficiency by optimizing energy structure and applying advanced energy management technologies. In addition, we also endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We encourage online communications within the Group and with its business partners to reduce carbon emissions resulting from business travel.

In alignment with the Carbon Neutrality initiatives in mainland China, the Group is dedicated to continuously enhancing and optimizing resource efficiency strategies, ensuring a harmonious balance between business development and environmental sustainability. Through these measures, the Group aims to achieve a general reduction of 1% in overall emission intensity in the upcoming three years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change

Climate change is a pressing global issue with far-reaching impacts on the economy and society. The Group recognizes the escalating threat posed by climate change, which affects businesses worldwide, including our Group. In response, we are committed to implementing environmentally sound practices and complying with relevant regulations and guidelines from local and national authorities. We have implemented internal policies including a Low Carbon Energy Saving Proposal (《低碳節能倡議書》) to reduce our carbon footprint such as reducing energy consumption through different measures.

To lessen the consequence of extreme weather events and safeguard daily operations and personal safety, we have developed comprehensive emergency plans and countermeasures that are specifically suited to our unique conditions. In addition, we are actively pursuing a green transformation aligned with China's goals to reduce energy intensity and achieve "carbon peaking" and "carbon neutrality".

By prioritizing low-carbon operations, we aim to make meaningful contributions towards these ambitious targets. Our ongoing efforts include the development of internal policies and regulatory systems focusing on managing emissions, and resource utilization, and enhancing our ability to identify and address climate risks and opportunities. Suppliers in neighboring regions of our operations preferred to avoid carbon emissions from transportation, especially air pollution. We partner with reputable suppliers who are also devoted to carbon reduction and maintain a capacity comparable to their business needs to avoid over-usage and corresponding emissions. For instance, our major third-party cloud services and OA systems providers are Tencent and Alicloud. The vendors offer the green computing power to help clients build low-carbon digital infrastructure, as well as apply digital technologies to help optimize energy efficiency.

The Group deeply understands the importance of identifying and effectively managing climate risks and opportunities for achieving stable and sustainable business development. We plan to gradually identify industry-specific climate risks relevant to our operations and further analyze the connections and impacts between these risks and our business. As climate change intensifies, extreme weather events such as strong winds, super typhoons, floods and heavy rainfall, are becoming more frequent and severe. This affects operational efficiency. To fully cope with the opportunities and challenges brought about by climate change, the ESG task force has carefully assessed related risks and developed corresponding strategies and targets for climate change. For example, extreme weather conditions may disrupt international logistics and manufacturing operations, posing challenges to cross-border e-commerce. To mitigate these risks, the Group has established comprehensive contingency plans and response procedures. In addition to serving cross-border e-commerce clients, the Group has strategically diversified its customer base within the virtual economy sector, including mobile gaming, novel-based apps, and short-form drama content, while continuing to expand its presence in these high-growth areas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

The Group will also keep abreast of the trends of new environmental laws and regulations, and formulate contingency strategies and policies promptly to ensure compliance with environmental protection laws and regulations. The Group has laid down the Network and Data Security Incident Emergency Plan (《網絡與數據安全事件應急預案》) to improve the handling of all kinds of accidents, disasters, and health events. The Group has set up the Network and Data Security Emergency Command Team (the "**Command Team**") which comprises the Head of Network Security, Vice President, Administrative and Human Resources Manager, Legal Director, Finance Manager and Sales Director. Each department selects 1-2 members as alternates to participate in the Command Team. The Command Team is responsible for coordinating the emergency response of related departments. We want to ensure that corresponding rescue work can be conducted quickly and effectively in any kind of safety emergency to minimize casualties and property losses.

In response to adverse weather conditions, the Group has developed an emergency action plan:

Strengthening risk-awareness and emergency management	• Enhance risk awareness, improve prevention and control capabilities, and focus on preventing and mitigating major risks. • Strengthen emergency management training for leaders at all levels in collaboration with relevant departments to increase awareness of extreme weather events and improve emergency response capabilities.
Strengthening forecast and warning	• Prioritize prevention and increase the frequency of monitoring and forecasting extreme weather events. • Establish a point-to-point warning and response mechanism to promptly alert relevant departments to undertake preventive measures. • Issue meteorological warning information to company employees to enable them to prepare for disaster prevention and mitigation in advance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

Strengthening the operability of contingency plans	• Establish a sound linkage mechanism between meteorological warnings and emergency response, quantify relevant activation standards, and formulate specific measures to prevent and respond to extreme weather events. • In case of extreme weather conditions that create unanticipated system failure which may lead to lost data, three streamline broadcast service providers are engaged to ensure smooth operations even under extreme climate. • Diversify the services locations and increase choices of online lessons to reduce the impact of classroom-based teaching under extreme weather. • Incorporated the safety emergency knowledge into our training plan and hold at least one safety emergency drill per year to increase the capacity of emergency rescue and handling.
Enhancing the coordination in disaster prevention and relief	• Strengthen the leadership in disaster prevention, reduction, and relief work, and strictly implement the responsibilities of various departments. • Promote the responsibilities of the emergency management department and other relevant departments, establish emergency contacts and duty personnel, and fully leverage leadership, command, and coordination roles. • Arrange training on safety emergency handling and operation of automated external defibrillator.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. COMMITMENT TO ENVIRONMENT (Continued)

A4. Climate Change (Continued)

Strengthen resource prepositioning	• Select the store locations that are relatively prosperous or have better infrastructure, typically less prompt to the drainage and transportation issues. • Based on risk assessment, guide and urge relevant departments to preposition response resources for high-risk areas. • In terms of infrastructure, in addition to basic fire and flood prevention measures, special treatments are carried out based on regional geological characteristics. For example, considering the frequent earthquakes in the Chengdu area, the design and construction standards are enhanced for independent column foundations, ground beams, structural columns, ring beams, and steel material requirements. • Various measures have also been taken for system maintenance in response to natural disasters, such as off-site data backup. Local core system data (SAP/MBS, etc.) are backed up daily and synchronized in an off-site data backup center on Alicloud, ensuring data availability in extreme situations. Rapid application recovery can be achieved using Alicloud's resources to quickly restore the business application environment in the event of a loss at the local data center, combined with off-site data backup to ensure business system availability. Fast network recovery is achieved by utilizing reliable third-party network infrastructure (such as Tencent and Alicloud) to build a network spanning the cities where the business operates, allowing secure access to any branch.
Strengthening publicity and education	• Widely carry out disaster prevention and reduction publicity and education to enhance employee risk awareness and disaster prevention capabilities.

In the future, the Group will continue to proactively assume CSR for responding to climate change and take effective measures to cope with the challenges brought by climate change, to achieve its sustainable development. The Group will actively respond to and implement relevant government policies and requirements in response to climate change and actively engage in society-wide common actions to mitigate its negative impacts.

B. COMMITMENT TO EMPLOYEE

The Group upholds the core value of "people-first" and is committed to building an excellent and diverse team.

B1. Employment

B1.1 Employment Figures

The Group upholds the "people first" principle and believes that effective personnel management is essential to attaining sustained corporate development. In keeping with the people-oriented principle, we uphold the rights and interests of every employee, control employment practices, safeguard workers' occupational health and safety, and foster an inclusive, safe, and healthy work environment in order to strengthen the close, long-term collaboration between our staff and ourselves.

Our innovative solutions to address the unmet needs of customers are supported by our dedicated and talented employees. The Group values the opinions of employees and believes good employee relations are crucial to the long-term development of its business. Effective communication channels have been set up for employees in different age groups and assistance appropriate to their needs is offered, to maintain a harmonious workplace, and ultimately enhance work efficiency and productivity as a whole.

The Group acts in strict compliance with the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Women's Rights and Interests, the Law on the Protection of Minors, and the Provisions on Prohibiting the Use of Child Labour. In addition, we have formulated the Employee Handbook《員工手冊》to facilitate the building of talent teams and strive to create an equal, inclusive, healthy and safe working environment. Our staff handbook mandates human resource management policies, including equal employment, attendance management, remuneration and benefits, recruitment and promotion, training and development, health and safety, performance assessment, code of conduct, etc., to keep employees aware of the Group's management basis and their interests.

During the Period, the Group did not note any cases of material non-compliance in relation to employment, including the provision of a safe working environment and protecting employees from occupational hazards.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.1 Employment Figures (Continued)

As of 31 December 2024, we had a total of 69 (2023: 86) employees. See below the detailed breakdown of the workforce.

Total Workforce as of 31 December	2024	2023
By Employment Type		
Full-time	**100.00%**	100.00%
Part-time	**0.00%**	0.00%
By Gender		
Female	**56.52%**	53.49%
Male	**43.48%**	46.51%
By Employee Category		
Senior Management	**5.80%**	4.65%
Middle Management	**13.04%**	10.47%
Frontline and Other Employees	**81.16%**	84.88%
By Age Group		
18-25	**5.80%**	3.49%
26-35	**71.01%**	74.42%
36-45	**17.39%**	15.12%
46-55	**2.90%**	4.65%
56 or above	**2.90%**	2.33%
By Geographical Location		
Mainland China	**95.65%**	97.67%
Hong Kong SAR	**4.35%**	2.33%

* *Geographical location figures in 2023 & 2024 are reclassified*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.2 Turnover Figures

A total of 23 (2023: 15) employees left the Group during the Reporting Period, which gave a turnover rate of 33.33% (2023: 17.44%). The Group regularly reviews salary remuneration and benefits to retain talents and stay attractive and competitive in the market. See below for the detailed breakdown of the turnover rate by employee group.

Turnover Rate as of 31 December	**2024**	2023
By Employment Type		
Full-time	**33.33%**	17.44%
Part-time	**0.00%**	0.00%
By Gender		
Female	**25.64%**	21.74%
Male	**43.33%**	12.50%
By Employee Category		
Senior Management	**0.00%**	0.00%
Middle Management	**0.00%**	0.00%
Frontline and Other Employees	**41.07%**	20.55%
By Age Group		
18-25	**50.00%**	66.67%
26-35	**42.86%**	18.75%
36-45	**0.00%**	7.69%
46-55	**0.00%**	0.00%
56 or above	**0.00%**	0.00%
By Geographical Location		
Mainland China	**34.85%**	17.86%
Hong Kong SAR	**0.00%**	0.00%

* *Geographical location figures in 2023 & 2024 are reclassified*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.3 Employee Recruitment, Compensation, and Benefits

The Group complies strictly with all applicable laws and regulations in relation to recruitment, pursuant to which the Group is to select, recruit and promote its employees at all levels in a fair, just and open manner based on their knowledge, integrity, ability and experience in either public recruitment or internal promotion, so as to ensure meritocracy and attract the best professional elites in the industry. We encourage and advocate equal opportunities and diversity. We recruit talent through the talent market, online platforms, on-campus job fairs, internal referrals, and other channels to build our employer brand that can meet the needs of our business. It forbids engagement in, or support of discrimination based on ethnicity, social class, gender, etc. in such areas as recruitment, salary, and promotion. The recruitment process is arranged by the human resources department, with interviews arranged for the selected candidates. Qualified applicants shall provide their identity documents, academic certificates and resumes. The applicants shall pass the prescribed recruitment process and become officially employed after signing the employment contracts. The Group ensures to carefully go over the identities and birth certificates of the qualified applicants to eliminate child labour at the source. During the Reporting Period, the Group was not aware of any instance of child labour and forced labour.

The Group sets up different career paths for the management, general, and technical personnel with corresponding different promotional channels. We assess each talent according to the performance appraisal result and skill sets, combined with measures such as talent review, and various training programs to provide equal and consistent opportunities for them to achieve career ambitions.

We routinely carry out thorough appraisal assessments on the work performance, workability, and work attitude of the workforce through the performance appraisal system. The work performance, workability, and professional abilities of employees can be consistently enhanced through a suite of closed-loop performance management tools. Employee arrangements for promotions, pay adjustments, and terminations will be impacted by the evaluation results.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.3 Employee Recruitment, Compensation, and Benefits (Continued)

We provide competitive compensation, and the level which our employees receive will be driven by their qualifications, experience, potential, and performance. The Group's employees in the PRC are entitled to five national statutory social insurances (including basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance and unemployment insurance) as well as commercial and accident insurance under the Statutory Employment Ordinance of the PRC. In addition to local statutory holidays such as basic paid annual leave, the qualified employees are also entitled to wedding leave, maternity and paternity leave, and bereavement leave.

The Group implements a flexible working hours system requiring employees to work eight hours a day and five days a week. We comply with all working hours, rest, and vacation regulations of the Chinese Labour Law to ensure the physical and mental health of all employees. The Group does not force employees to work overtime. Employees may apply for overtime in advance. On statutory holidays, the approved overtime will be paid according to the Labour Law. After consulting with the employees, those who work overtime on weekends will be compensated with rest days. In addition to legal holidays, employees are entitled to annual leave, personal leave, sick leave, marriage leave, maternity leave, paternity leave, bereavement leave, and work-related injury leave.

We are committed to providing our employees with a warm and safe working environment and take a holistic approach to employee well-being. We offer programs that support healthy work-life harmony, promote employee communication, and encourage employees to make suggestions for the improvement of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.4 Communication with Employee

The Group attaches great importance to the opinions of employees. We understand that employees are our close and long-term partners and good employee relations are crucial to long-term development of the business. Maintaining effective and positive mutual communication can not only promote smooth operations, but also enhance mutual understanding and trust, and contribute to the stable development of the Group. Effective communication channels have been set up for employees in different age groups and assistance appropriate to their needs is offered, with the aim of maintaining a harmonious workplace, and ultimately enhancing work efficiency and productivity.

The Group mainly releases information and key issues to employees through internal office platforms, which include but not limited to emails, announcements, and corporate micro-channels. The employees can share opinions in the following ways:

- Several communications channels have been set up to receive and handle employees' opinions and demands;
- Employees can share their opinions with the leaders of the department or branch campus first. They can also share the opinions with the corresponding departments or the Audit and Supervision department of the headquarters;
- Employees can leave comments via corporate mailbox, QQ, Weibo and WeChat;
- Employees are encouraged to provide real-name feedback and promise to protect employees from adverse effects. Meanwhile, an anonymous mailbox has also been set up to regularly collect employees' thoughts and opinions.

The Group carefully reviews and considers all opinions from its employees and makes corresponding improvements to ensure their rights and interests.

B. COMMITMENT TO EMPLOYEE (Continued)

B1. Employment (Continued)

B1.5 Equal Opportunity and Anti-Discrimination

The Group attaches particular importance to equal employment opportunities and complies strictly with anti-discrimination laws. The Group has also formulated an internal policy on equal employment opportunities, aiming to treat both employees and job applicants fairly and ensure they are not discriminated against for their gender, marital status, pregnancy, age, family status, disability, ethnicity, nationality or religion. The Group treats each of its employees fairly and justly and offers equal opportunities to them in recruitment, promotion, rewards, training, etc., and promise that no discrimination will be tolerated. The Group shall consider disciplinary punishments on anyone who violates this policy. In compliance with the law, the Group provides training courses from time to time to prevent employees from being discriminated, harassed, and harmed during work.

B2. Employee Health and Safety

We are committed to providing our employees with a warm and safe working environment and take a holistic approach to employee well-being. We continue to promote work-life balance and create a positive workplace for all employees. We offer full-range welfare programs that support healthy work-life harmony that go above and beyond the legal requirement, such as employee's recognition programs, afternoon tea, holiday benefits and workplace celebrations, provide a green working environment with ergonomic office chairs. We also promote employee communication and encourage employees to make suggestions for the improvement of the Group.

We allocate adequate resources and efforts to uphold and improve our safety management to reduce the inherent risks related to safety issues. Fire drills are conducted every year to enhance staff's awareness of fire prevention and safety accident response ability. We also regularly provide safety education training programs to the employees. The training content covers safety production requirements, hazard sources, identification of safety hidden dangers, safety protection, safe operation, etc.

During the Reporting Period, the Group did not experience any accidents or claims for personal or property damage that, individually or in aggregate, had a material effect on our Group's financial condition and results of operations. We had complied with the applicable national and local safety laws and regulations in all material respects, and the relevant PRC authorities had not imposed any material sanctions or penalty on us for incidents of non-compliance of any safety laws or regulations in the PRC. We had not been subject to any material claim or penalty in relation to health, safety, or social protection, or been involved in any significant workplace accident or fatality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B2. Employee Health and Safety (Continued)

B2.1 Work-related Fatalities and Injury

The Group attaches great importance to the occupational safety of all colleagues and has devoted efforts in protecting the health of its staff. During the Reporting Period, the Group did not receive any complaints or lawsuits regarding violations of health and safety-related laws, and there were no work-related injuries and fatality in the past three years including 2024. The Company has reinforced service processes and standards through ongoing SOP training and business-related programs, ensuring employees are fully aligned with corporate expectations and equipped to deliver consistent, high-quality service.

B3. Development and Training

The Group believes that the personal development of employees can not only explore their own value, but also contribute to the long-term development of the Group. The Group has established a comprehensive training system and evaluation criteria to improve employees' knowledge, skills and working ability, such as new employee training, management skills training, professional skills training, management system training, to help our employees improve their working abilities and experience. Meanwhile, the Group has regularly organized interest and thought sharing events to enable employees to increase team cohesion and recognition of the corporate culture through group work and games.

During the Reporting Period, 123.19% (2023: 109.30%) of all employees, received training as arranged by the Group, and the average training hours that each employee received was approximately 1.51 hours (2023: 1.12 hours). The percentage and average training hours per gender and employee category during the Reporting Period are as follows:

	2024		2023	
By Gender				
Female	**115.38%**	**1.41 hours**	115.22%	1.15 hours
Male	**133.33%**	**1.63 hours**	105.50%	1.08 hours
By Employee Category				
Senior Management	**100.00%**	**2.00 hours**	100.00%	2.00 hours
Middle Management	**100.00%**	**2.00 hours**	100.00%	1.00 hours
Frontline and Other Employees	**128.57%**	**1.39 hours**	110.96%	1.08 hours

Note: Employee training statistics in 2024 include the current employees and retired employees of the Group during the Reporting Period. Trained employee ratio (percentage) = Number of trained employees in this category/Total number of employees in this category at the end of the reporting period x 100%.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. COMMITMENT TO EMPLOYEE (Continued)

B3. Development and Training (Continued)

Training program and Team building events

Team Building in Shilinxia, Beijing

Internal Training

B4. Labour Standards and Diversity Inclusion

We strictly abide by the Labor Law of the People's Republic of China《中華人民共和國勞動法》, Provisions on the Prohibition of Using Child Labor《禁止使用童工規定》and other laws and regulations, and prohibit any forms of child labor and forced labour. All work is voluntarily performed and shall not involve forced labour, debt repayment or contractually bound labour or involuntary prison labour. The Group prohibits recruitment of child labor, or workers aged below 15 (or at legally forbidden age).

Before hiring, the HR Department verifies the age of candidates by conducting in-depth identity document checks and interviewing them. If the Group finds evidence of child labor, it will take the appropriate action in accordance with the "Child Labor Rescue and Help Procedures," end the employment, set up a physical test to ensure the child's health, and cover all associated costs.

We do not tolerate forced labour through violence, threats, coercion, or unlawful restraint. The Group does not tolerate any physical, sexual, psychological, or verbal harassment or abuse of employees. We have procedures in place to ensure relevant policies are properly implemented throughout the Group. These include giving relevant training, employee interviews and surveys, and conducting onsite visits and audits regularly. Issues or inquiries raised by employees via different channels will be handled and investigated by the Group carefully and with strict confidence.

We treat all employees fairly in terms of hiring, advancement, training, and other aspects of their job. We prohibit employment discrimination based on age, gender, nationality, color, marital status, or religion. We are also committed to embracing diversity within our business and treating all of our employees fairly and respectfully in terms of hiring, training, wellness, and professional and personal development. While working to ensure equal career possibilities for all, we continue to promote work-life balance and a pleasant workplace culture for all of our employees. During the Reporting Period, there were no instances of child or forced labour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS

As a responsible company, we attach great importance to practicing social responsibilities and are committed to enhancing mutual trust with customers and suppliers to promote long-term cooperative relationships.

C1. Supply Chain Management

Suppliers of the Group must comply with all laws and regulations in which we have operations and related to unethical behavior, bribery, corruption and other prohibited business activities. We focus on the sustainable development of the supply chain, strictly abide by the Law of the People's Republic of China on Tenders and Bids《中華人民共和國招投標法》, and other laws and regulations. We have established internal documents and procedures such as Administrative Procurement System《行政採購制度》, Media Provider Management System《媒體供應商管理制度》and IT Supplier Management System《IT供應商管理制度》so as to standardize the processes of supplier selection, evaluation, and elimination to ensure the quality of our products and services. We are searching for suitable suppliers according to the demand for products and services in different channels. In addition to factors like price, quality, and supply stability, the Group's suppliers also need to adhere to transparent business processes and high ethical standards and align with our ESG targets, to avoid interest conflicts and prohibit corruption and bribery. Building appropriate control over long-term and stable supplier relations can ensure the Group purchases from suppliers meet specified requirements. Through document audit, sample approval, on-site audit, and other methods, we review suppliers from perspectives of business qualification, quality management, registration documents, production environment, production process, etc. Suppliers that successfully pass the review will be added to the Approved Supplier List (ASL)《合格供方清單》. To further ensure the quality of suppliers, even after they passed the assessment, they must go through a trial process and if they fail to meet the requirement, they will be removed from the "Qualified Supplier List".

During the Period, there are a total of 9 (2023: 8) approved suppliers. All suppliers are in China (including Hong Kong).

C1.1 Practices and implementation of Supplier Engagement

To improve procurement efficiency and reduce procurement costs, the whole procurement process usually involves different departments including:

1) Various business departments that clarify the procurement demand and budget;

2) Functional departments that carry out standard judgment and standard output for the procurement of materials and services;

3) Purchasing department that directly participates in the procurement process, formulates the Group's overall procurement plan, and controls the procurement process;

4) Finance and Legal Departments that support the procurement process including project budget, contract financial terms, tax terms and other audit support.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C1. Supply Chain Management (Continued)

C1.1 Practices and implementation of Supplier Engagement (Continued)

The Group encourages healthy and fair competition among suppliers and often invites different possible bidders. We verify and conduct due diligence on the legitimacy of relevant suppliers, including the validity of their business license, tax registration certificate, and organization code certificate, logistic licenses (if required), qualification, business scope, and operating and financial results over the previous three years. The suppliers are requested to provide quality examination reports, quality certification, and other relevant materials for specific products for internal auditing. We will arrange a site visit to Suppliers' production facilities. All suppliers must have a respectable business reputation/record, a sound service team, a completed tax payment record, a solid accounting system, and no records of lawsuits. All suppliers must have a good company reputation/record, a competent service team, a comprehensive tax payment record, and a robust accounting system, with no records of litigation or substantial penalties in the previous two years. Suppliers who participate in bidding and procurement will subsequently go through an approval and probation phase. After the probationary period is completed, the group will sign a procurement contract with the supplier. During the payment process, the Group's financial personnel analyze the full procurement procedure as well as upstream papers, and payment is made in accordance with contract criteria.

C1.2 Suppliers Rating Policy

We conduct the comprehensive evaluation for suppliers under ASL quarterly and manage the suppliers by categories (1st to 4th) according to the evaluation results. Suppliers with low scores are required to take measures to make rectifications and get re-evaluated within a specified period. We will terminate the cooperation relationship for the suppliers who fail to pass the re-evaluation and those who cannot meet our minimum score requirements. We attach great importance to communication with suppliers and maintain interaction with them through the hotline, business negotiations, irregular field visits, etc. Embracing the green partner management concept, the Group also considers the involvement of suppliers in fulfilling social responsibilities and environmental protection. The Group request suppliers to manage energy conservation and reduce emissions and urge them to get used to adopting more eco-friendly products and services, to contribute to society and the environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility

As a leading cross-border digital marketing group in China, we are dedicated to full-link marketing services and online SaaS solutions accessible through technology and innovation. Our major products covered with standardized and tailored-made marketing services leveraging our industry-leading data analytics and AI technologies, we have been dedicated to empowering China-based marketers in user acquisition to better promote and connect themselves to customers worldwide while collaborating with major and well-known media publishers in helping them explore monetization opportunities.

C2.1 Quality Management

We have established a quality management system, including field audit records, procedure documents, quality control documents, forms, and records. A dedicated team was established to be responsible for quality assurance. To verify the compliance and effectiveness of the Group's quality management system, we hold internal and external audits annually to find out the weaknesses of the system and urge us for continuous improvement. In 2024, we held one external audit and one internal audit meeting. We provide internal and external training, covering key post skills, current regulatory requirements, product knowledge, etc., to all our employees who have responsibilities for product quality.

C2.2 Compliance Marketing

We are committed to building a culture of compliance at our Group that engages all our employees and business partners for ethical behaviors. We recognise that breaches of law and regulations may seriously affect the Group's performance, business operations, financial position, and reputation. Therefore, we have developed ESG Policy, to keep abreast of the latest regulatory developments, ensures its business is governed by various laws and regulations in China, and provides relevant training to relevant employees.

Fair dealing and truthful advertising are essential for preserving the reputation of the Group. We use trademarks, images, labels, and other information properly, and strictly manage the authenticity, accuracy, and compliance of the marketing information applied in the whole marketing process. During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations having a significant impact on the Group relating to marketing.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.3 Intellectual Property Rights

Intellectual property is crucial to the success of the Group. Our strong R&D and innovation efforts build a strong foundation for our business success. Protecting our IPs is essential for us to maintain competitiveness in the market. Thus, while being committed to technological innovation, we also regard intellectual property protection such as patent application and trademark registration as vital and conducive to the Group's healthy and sustainable long-term development.

We strictly abide by the Patent Law of the People's Republic of China《中華人民共和國專利法》, the Trademark Law of the People's Republic of China《中華人民共和國商標法》and other laws and regulations. We formulated the Intellectual Property Management Policy《知識產權管理制度》with the intent to develop a culture that protects our IPs from growing external threats and organize IP protection training for the staff.

We are committed to protecting the intellectual properties of the Group as well as other parties, including patents, trademarks, and copyrights. Use of all such properties must be in accordance with applicable laws and regulations. Any form of infringement of intellectual property rights are forbidden. We have set up channels for reporting any potential infringement and misappropriation incidents.

During the Reporting Period, there was no reported incident of violation of intellectual property rights, patents, or trademarks.

C2.4 Customer Services

Adhering to the vision of "Stay At Home. Marketing Worldwide", we provide high-quality service to achieve customer satisfaction. As a company that places a strong emphasis on its customers, we are dedicated to creating positive interactions with our customers while fostering long-lasting customer relationships. We stay abreast of emerging technologies and market development trends so that we may offer clients the greatest customer care across the whole life cycle while comprehending their needs. We encourage customers to give us feedback and assess the quality of our services in a timely manner. The Group has taken active measures of improvement for reasonable requests. In order to effectively protect the rights and benefits of our customers and employees, we establish a number of communication channels aiming to collect feedbacks in a more efficient manner, which include daily operations/communications, telephone, Wechat, email and mailbox. A comprehensive mechanism for handling customer complaint was established to manage the collection, transmission, and handling of complaints as well as return visits.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.4 Customer Services (Continued)

Customers are entitled to file a complaint through our standardized complaint system if they believe the content of our advertising material infringes on their legal rights and interests, or involves illegal activities, such as fraud, violence, harassment, or pornography. We handle the complaint request according to our internal guidelines for complaints. Necessary measures will be arranged promptly in compliance with the applicable laws or regulations if the accusation is found true, valid and legitimate. We inform our customers of such measures through meetings to maintain excellent customer satisfaction. We handle the complaints according to the following three principles:

1. Emphasize the voice of customers. Set up an independent complaint page and accept user feedback frankly.

2. Think about customer needs. Customize clear processing mechanisms for different types of complaints to ensure that customers get the best solutions.

3. Solve user problems. Aim to solve complaints within 24 hours and respond to customers' complaints in a timely manner.

Our reputation for service is excellent, stemming from our deep understanding of our clients' needs. We actively collect customer opinions to enhance our service quality. If the Group receives a material complaint, a special handling team will be set up to jointly formulate a handling plan, while ensuring the comprehensiveness, rationality and compliance of the plan as much as possible as well as strengthening communication and strive to properly solve the related problems. The Group's customer relations managers will maintain close communication with its customers. In addition, the Group provides employees with training to improve their efficiency and capacity in handling customers' complaints.

During the Year, we did not receive any complaints from the customers. The Group didn't record any products sold or shipped subject to recalls for safety and health reasons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.5 Quality Assurances

The Group's primary focus is on personalized and customer-oriented services. Employees maintain a continual connection with clients and modify plans at various levels of service until the customer is satisfied. The Group requires its employees to follow up on customer needs in real time throughout the closed-loop process from pre-sales to post-sales to ensure that customer feedback is returned in a timely manner. In addition, we attach great importance to customer experience by analyzing customers' behavioral preferences and habits to drive product and operational improvements. We check the potential problems of the products regularly to explore defense optimization, improve the product functions, and make iterative updates promptly. Additionally, to improve its services, the Group launched a satisfaction questionnaire specifically targeted at customers. To enhance new employees' understanding of products and services, the Group regularly organizes training for new employees to improve business capabilities. Besides, the Group has developed a subscription page so that it can provide customers with the latest product and service information in a timely manner. Additionally, the Group undertakes internal audits and evaluation of plans prior to presenting them to clients for quality assurance purposes. Our quality control and regulatory team are involved in every aspect of our daily operations to ensure quality control of our products. During the Year, as the group is mainly providing cross-border digital marketing services, there have been no products sold or shipped subject to recalls for safety and health reasons.

C2.6 Objectivity of Enrollment Advertisement

We carry our enrollment advertisement and promote our products mainly through advertising on mainstream media such as official website, mobile apps, internet media, mobile newspaper, mobile application of mainstream media and official account on WeChat platform. The Group carry out promotional activities in strict compliance with relevant laws and regulations in their respective judications and have formulated the Summary of high-frequency compliance questions《合規高頻問題答疑匯總》, Advertising Compliance Guidelines《廣告宣傳合規指引》, "Advertising Compliance Review Process" Operation Instructions《廣告宣傳合規審核流程》操作説明, to make filing and effect management and control of the advertisement and promotional information. All advertisement and promotional information are accurate, objective, true and not misleading.

During the Reporting Period, the Group did not receive any complaints from the employees and complaints from the customers. The Group was not involved in any material litigations, complaints, disputes or negative news coverage.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.7 Confidential Information

The Group adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China《中華人民共和國網絡安全法》and the Regulations on the Management of Information Security《資訊安全管理規程》. We undertake serious measures to protect the IT resources and data privacy of the Group and its stakeholders, including employees, business partners and customers. Our privacy policies and IT policies included Information system personnel safety management system《資訊系統人員安全管理制度》, information system information security organization and job responsibilities management system《資訊系統資訊安全性群組織及崗位職責管理制度》, information system security incident reporting and handling management system《資訊系統安全事件報告和處置管理制度》. According to the importance of data, all data is divided into 4 levels: C-1 Unrestricted, C-2 Restricted, C-3 Confidential, and C-4 Top Secret. The group stipulates the principles and responsibilities on personal data protection, as well as preventive mechanisms for checking information leakage. Employees in high-risk positions are required to sign confidentiality agreements. Disciplinary actions are taken against individuals who have violated the policy. The Company takes the responsibility of ensuring that no unauthorised person can access confidential information.

We also respect the privacy of customers and employees and ensure that individual information will not be leaked and abused. We sign confidentiality agreement with our business partners to avoid leakage of privacy. During the Year, the Group was not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to customer privacy matters.

C2.8 Security Management and Remedial Guidelines

To strengthen tracking, analysis, testing, distribution and inspection process of security patches for the information system, the Group implements the remedial measures for computers, network equipment, and database systems, to ensure the proper security of user personal information, reduce the security risks, and improve information system security. The threat level of security loopholes shall be analyzed and handled with different corresponding periods.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.9 Anti-Corruption and Business Ethics

The Group regards knowledge of and compliance with laws as the foundation of our business. The Group always adheres to its core values and establishes an honest, trustworthy, standardised and transparent business environment. We are committed to building a culture of compliance at our Group that engages all our employees and business partners in ethical behaviors. To ensure compliance with the Group's business operations and the suitability of relevant regulations in the industry, the Group has formulated internal policies which cover management systems in different scopes, including board governance, business operations, financial management, personnel management, general management and information security. The Group will regularly review the prevailing laws and regulations, industry norms and its business development, to update and revise the compiled articles in due course.

The Group attaches great importance to the corporate culture of integrity and anti-corruption, always adheres to the highest standards of ethics and business integrity and abides by the laws and regulations to prevent bribery, corruption, money laundering and fraud in its business operation. The Group has formulated company policies covering compliance, integrity, and ethics, internal reporting and handling, and anti-fraud and anti-corruption systems, to regulate the professional behaviors and professional ethics of all employees of the Group, to establish a good atmosphere of integrity and diligence, and to prevent frauds.

The Group developed a sound governance structure for preventing corruption, bribery, extortion, fraud, and money laundering. The management team take the responsibility to supervise and guide the anti-fraud to establish an anti-fraud cultural environment within the company and establish an internal control system preventing fraudulent activities. Head of the department/branch is responsible for maintaining the internal control system, setting up a reporting channel, implementing control measures, and taking remedial measures to reduce the chance of fraudulent activities within the company. All staff shall abide by the company's code of conduct and relevant national and industrial laws and regulations, and report fraudulent activities to anti-fraud through proper channels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

C. COMMITMENT TO CUSTOMERS (Continued)

C2. Service Responsibility (Continued)

C2.9 Anti-Corruption and Business Ethics (Continued)

The Group has also formulated sound whistle-blowing policies to encourage all directors, employees and third parties (including customers and suppliers of the Group) to report any misconduct, dereliction of duty or violations. The whistle-blower can report unethical behaviours or any suspected illegal acts or dereliction of duty to the Group in the form of writing such as mails, suggestion boxes, e-mails or other channels. The identity of the whistle-blower will be kept strictly confidential. Any discrimination or retaliation against reporters will not be tolerated, and the reporters will be protected in assisting the investigation. The whistle-blowing mechanism is coordinated by the anti-fraud office. Upon receiving whistle-blowing incidents, the Office will analyse and sort out the whistle-blowing information. After preliminary review and verification, if it is believed that the reported person does have the facts of disciplinary violations, the investigation shall be formally filed and handled in accordance with the relevant regulations of the discipline inspection and supervision department.

If fraud cases are identified, we will take remedial measures to rectify the internal control of the affected business units. For the employees who are confirmed to have fraud, we will punish them according to our internal regulations; for those who violate the law, we will transfer them to the judicial organs for further handling.

In order to enhance the anti-corruption awareness and level of employees, during the Reporting Period, the directors and employees of the Group including business development team, account management (AM) team, and media team, received anti-corruption training, with an average training hour of 0.2 (2023: 0.5) hour per employee. Topics of anti-corruption training included corruption reporting situations, anti-corruption laws and cases, roles of directors and employees in combating corruption, job embezzlement, fraud, and misappropriation of funds, etc. During the Reporting Period, the Group was not aware of any non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

C3. Awards and Recognitions

During the Reporting Period, the Group is honored to receive the Outstanding Cultivation Award from the Meta Green Channel, in recognition of our significant efforts and dedication to advancing sustainability initiatives and fostering innovation. This achievement underscores our commitment to integrating sustainable solutions across our operations and making a positive impact in the industry.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

D. COMMITMENT TO THE COMMUNITY

The Group attaches great importance to social responsibility. While making achievements in its own development, it also hopes to care for and meet the needs and interests of local communities and promote the harmonious development of society.

Through various means of community participation and contribution, the Group is committed to spreading the spirit of service in the community and building a sustainable and inclusive society. While actively developing its business, the Group never forgets to support various community engagements to give back to society. As a leading digital marketing service provider, the Group has always provided long-term and stable job opportunities to the society, maintained good employment relationships, increased local taxation, and assisted the Chinese enterprises to establish the overseas presence, thus promoting local economic development, and achieving self-development and a win-win situation with the local community. We continue to contribute to the community through increasing investment while organising cultural and recreational activities for employees with an aim to relieve work pressure and help them to achieve work-life balance, and to enhance employees' sense of social responsibility and dedication to society. The Group attaches great importance to social public welfare activities and hopes to spread the love and warmth from the Group to society. It has contributed to activities and organisations that are beneficial to the community. During the Reporting Period, the Group participated in different charitable activities, such as "Earth Hour" event on 23 March 2024 in Beijing and Hangzhou.

In the future, we will continue to work proactively with charitable organizations and participate in various community investment and charitable activities especially in the culture and sports area. To help create a peaceful and healthy society, the Group will keep allocating greater funds to social welfare and environmental protection initiatives, as well as embracing CSR.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Powerwin Tech Group Limited
(Incorporated in Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Powerwin Tech Group Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 98 to 160, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *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**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Revenue recognition	
Refer to note 3 to the consolidated financial statements and the accounting policies note 1(q)(i).	
The Key Audit Matter	**How the matter was addressed in our audit**
The principal activities of the Group are rendering cross-border digital marketing services and cross-border online-shop SaaS solutions. Revenue from different types of contracts have different contract terms and revenue recognition criteria. In addition, as the Group handles individual transactions manually, there is an increased risk of that error may be made in the timing of recognition of revenue. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations.	Our audit procedures to assess the recognition of revenue included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls over recognition of revenue; • inspecting the Group's contracts with marketers, media publishers and customers on a sample basis and discussing with the management on the nature of each major type of services to evaluate the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; • confirming with the marketers and customers directly on transaction records and balances of trade receivables as at the year end on a sample basis and performing alternative procedures on unreturned confirmations; • on a sample basis, reconciling transaction records to the monthly statements and rebates earned from the media publishers to the relevant underlying documents, including service contracts, quarterly statements and bank-in slips; • performing re-calculation of revenue on selected marketers and customers based on annual transaction volume data and the service fee rate stipulated in the contracts, and comparing it with the revenue recorded by the Group; • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with the relevant underlying documents including service contracts and monthly statements, to assess if revenue had been recognised in the appropriate financial period; and • inspecting sales journals during the financial year that met certain risk-based criteria and comparing details of these journals with the relevant underlying documents, including service contracts and monthly statements.

INDEPENDENT AUDITOR'S REPORT

Expected credit loss allowance of trade receivables	
Refer to note 17 to the consolidated financial statements and the accounting policies note 1(h).	
The Key Audit Matter	**How the matter was addressed in our audit**
The net carrying value of the Group's trade receivables amounted to approximately US dollars ("**USD**") 221,556,000 after netting off an expected credit loss ("**ECL**") allowance of USD7,378,000, representing approximately 83% of the Group's total assets as at 31 December 2024. Trade receivables are generally due within 30 to 300 days from the date of billing. The Group measures the loss allowance at an amount equal to lifetime ECLs. For trade receivables without customer specific information other than overdue data, the Group segmented the trade receivables based on shared credit risk characteristics and estimated the loss rates for each group. The estimated loss rates take into account ageing of trade receivables, customers' repayment history, current market conditions and forward-looking information. For trade receivables with customer specific information, the Group determined the ECL allowance based on shortfalls between the contractual cash flows and cash flows expected to be received. We identified assessing the ECL allowance for trade receivables as a key audit matter because trade receivables including the associated loss allowances are material to the Group and determining the level of the loss allowance is inherently subjective.	Our audit procedures to assess the ECL allowance for trade receivables included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, segmentation of trade receivables and estimation of the ECL allowance; • evaluating the Group's policy for estimating the ECL allowance with reference to the requirements of the prevailing accounting standards; • assessing, on a sample basis, whether items in the trade receivables ageing report were categorised in the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices and the credit term; • assessing the appropriateness of management's estimates of the loss rates, including testing the accuracy of the historical default data; evaluating whether the historical loss rates are appropriately adjusted based on current market conditions and forward-looking information; • for specific allowance, assessing the appropriateness of the cash flows expected to be received based on the debtor's financial conditions and the repayment plan; and • performing re-calculation of the ECL allowances as at 31 December 2024 based on the Group's ECL allowance policies.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Liu Hin Pan.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in US dollars ("**USD**"))

	Note	2024 USD'000	2023 USD'000
Revenue	3	**13,457**	21,504
Cost of sales		**(2,194)**	(2,302)
Gross profit		**11,263**	19,202
Marketing expenses		**(468)**	(496)
Administrative expenses		**(4,109)**	(5,024)
Expected credit losses on trade receivables	26(a)	**(735)**	(1,454)
Other income	4	**477**	306
Profit from operations		**6,428**	12,534
Finance costs	5(a)	**(6,004)**	(4,146)
Changes in fair value of financial assets		**157**	70
Profit before taxation	5	**581**	8,458
Income tax	6(a)	**(37)**	(1,273)
Profit for the year		**544**	7,185
Other comprehensive income for the year (after tax)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial information of entities not using USD as functional currency		**33**	77
Other comprehensive income for the year	9	**33**	77
Total comprehensive income for the year attributable to equity shareholders of the Company		**577**	7,262
Earnings per share			
Basic and diluted (cents)	10	**0.07**	0.96

The notes on pages 103 to 160 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 25(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024
(Expressed in USD)

	Note	31 December 2024 USD'000	31 December 2023 USD'000
Non-current assets			
Property, plant and equipment	11	**67**	87
Right-of-use assets	12	**360**	838
Other non-current assets	13	**–**	1,000
Intangible assets	14	**2,036**	32
Financial assets measured at fair value through profit or loss	16	**4,627**	2,765
Deferred tax assets	23(b)	**1,087**	1,099
		8,177	5,821
Current assets			
Trade and other receivables	17	**222,373**	197,602
Cash and cash equivalents	18(a)	**34,393**	21,814
Prepaid income tax	23(a)	**1,221**	–
		257,987	219,416
Current liabilities			
Trade and other payables	19	**129,032**	128,976
Contract liabilities	20	**4,071**	4,170
Bank loans	21	**100,638**	60,254
Lease liabilities	22	**326**	595
Current taxation	23(a)	**13**	703
		234,080	194,698
Net current assets		**23,907**	24,718
Total assets less current liabilities		**32,084**	30,539
Non-current liabilities			
Bank loans	21	**1,920**	768
Lease liabilities	22	**69**	253
		1,989	1,021
Net assets		**30,095**	29,518

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024 (CONTINUED)
(Expressed in USD)

	Note	31 December 2024 USD'000	31 December 2023 USD'000
CAPITAL AND RESERVES	25		
Share capital		**8,000**	8,000
Reserves		**22,095**	21,518
TOTAL EQUITY		**30,095**	29,518

Approved and authorised for issue by the board of directors on 26 March 2025.

Mr. Li Xiang
Chairman, Chief Executive Officer and Executive Director

Ms. Yu Lu
Executive Director

The notes on pages 103 to 160 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in USD)

	Note	Share capital USD'000	Share premium USD'000	Exchange reserve USD'000	Retained profits USD'000	Total equity USD'000
Balance at 1 January 2023		10	–	(130)	6,433	6,313
Changes in equity for 2023						
Profit for the year		–	–	–	7,185	7,185
Other comprehensive income	9	–	–	77	–	77
Total comprehensive income		–	–	77	7,185	7,262
Effect of the capitalisation issue	25(b)(i)	5,990	(5,990)	–	–	–
Issue of ordinary shares by initial public offering, net of listing expenses	25(b)(ii)	2,000	13,943	–	–	15,943
Balance at 31 December 2023 and 1 January 2024		8,000	7,953	(53)	13,618	29,518
Changes in equity for 2024						
Profit for the year		**–**	**–**	**–**	**544**	**544**
Other comprehensive income	9	**–**	**–**	**33**	**–**	**33**
Total comprehensive income		**–**	**–**	**33**	**544**	**577**
Balance at 31 December 2024		**8,000**	**7,953**	**(20)**	**14,162**	**30,095**

The notes on pages 103 to 160 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in USD)

	Note	2024 USD'000	2023 USD'000
Operating activities			
Cash used in operations	18(b)	**(18,092)**	(45,634)
Income tax paid	23(a)	**(1,936)**	(1,100)
Interest received		**480**	326
Net cash used in operating activities		**(19,548)**	(46,408)
Investing activities			
Payment for the purchase of property, plant, and equipment		**(9)**	(80)
Payment for the purchase of intangible assets		**(976)**	(1,000)
Purchase of financial assets measured at fair value through profit or loss		**(1,764)**	(1,191)
Net cash used in investing activities		**(2,749)**	(2,271)
Financing activities			
Capital element of lease rentals paid	18(c)	**(586)**	(488)
Proceeds from new bank loans	18(c)	**610,209**	601,481
Repayment of bank loans	18(c)	**(568,766)**	(569,611)
Payment of listing expenses		**–**	(1,170)
Interest expense paid	18(c)	**(5,883)**	(3,976)
Interest element of lease rentals paid	18(c)	**(28)**	(39)
Proceeds from issuance of shares by initial public offering		**–**	17,835
Dividends paid to equity shareholders of the Company	25(a)	**–**	(1,298)
Net cash generated from financing activities		**34,946**	42,734
Net increase/(decrease) in cash and cash equivalents		**12,649**	(5,945)
Cash and cash equivalents at 1 January	18(a)	**21,814**	27,716
Effect of foreign exchange rate changes		**(70)**	43
Cash and cash equivalents at 31 December	18(a)	**34,393**	21,814

The notes on pages 103 to 160 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "**Group**").

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "**functional currency**"). The functional currency of the Company and its subsidiaries outside Chinese mainland is US dollars ("**USD**") and the functional currency of the subsidiaries in Chinese mainland is Renminbi.

As the major operations of the Group were denominated in USD, the consolidated financial statements are presented in USD, rounded to the nearest thousand unless otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial assets measured at fair value through profit or loss ("**FVPL**") is stated at their fair value as explained in note 16.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(b) Basis of preparation of the financial statements (Continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants*

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The amended HKFRSs do not have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)(ii)).

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 1(h)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Office equipment and vehicles	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(f) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(h)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	3 –10 years

The useful life of software was assessed based on the expected period of technological or commercial usability of the software.

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(g) Leased assets (Continued)

As a lessee (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 1(h)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 1(q)(ii)(a) and 1(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

Depreciation is calculated to write off the cost of items of right-of-use assets, using the straight-line method over the unexpired term of leases as follows:

–	Leased properties	2 – 4 years

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(g) Leased assets (Continued)

As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position. The current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial assets

The Group recognises a loss allowance for expected credit losses ("**ECL**"s) on the financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables).

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets and trade and other receivables if the effect is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

1 Material accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial asset's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

1 Material accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(h) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting 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.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(h)(i) and 1(h)(ii)).

1 Material accounting policies (Continued)

(i) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 1(q)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 1(j)).

(j) Trade and other receivables

Trade and other receivables are recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see note 1(h)(i)).

Insurance reimbursement is recognised and measured in accordance with note 1(p).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 1(h)(i)).

(l) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 1(s).

(n) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(o) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

1 Material accounting policies (Continued)

(o) Income tax (Continued)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(p) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(q) Revenue and other income (Continued)

(i) Revenue from contracts with customers

The Group principally derives revenue from the provision of cross-border digital marketing services and cross-border online-shop software as a service ("**SaaS**") solutions.

(a) Cross-border digital marketing services

The Group use CPM, or cost per mille (based on per one thousand impressions of the advertisement) and CPC, or cost per click (based on the number of clicks of the advertisement), as pricing models. The Group recognizes revenue on the CPM or CPC basis, when the related services are delivered. Revenue is measured at the fair value of the consideration received or receivable and represents the expected amounts receivable for services performed, net of discounts, returns and value-added taxes ("**VAT**").

(i) Standardized digital marketing services

The Group acts as an intermediary by connecting marketers with media publishers and facilitating their transactions. The Group recognizes revenue mainly based on the agreed amounts of rebates earned from the media publishers, net of the incentives granted to the marketers.

(ii) Customized and SaaS-based digital marketing services

On top of standardized digital marketing services, the Group also generates revenue from providing customized and SaaS-based services to marketers. Revenue from such services is recognized at the agreed amount charged to the marketers, which is generally based on a certain percentage of the billing to the marketers on the specific media platform.

In both standardized digital marketing services and customized and SaaS-based digital marketing services, the Group neither makes promises to marketers about the effectiveness of marketing campaigns nor control the underlying advertising space before it is transferred to marketers. Therefore, the Group determines that it acts as an agent in both arrangements and does not include in revenue any payments from the marketers that are collected on behalf of the media publishers.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(q) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(b) Cross-border online-shop SaaS solutions

Revenue deriving from cross-border online-shop SaaS solutions consists of subscription fees and commission. During the subscription period, customers can access the SaaS platform but cannot take possession of the SaaS platform or transfer the proprietary rights pertaining to such a platform.

Subscription fees are charged monthly for customers to sell their products and process transactions on the standalone online-shops established through the SaaS platform. Subscription fees are generally charged per online store and are based on the store's subscription plan. The subscription fees are amortized on a straight-line basis over the term of the subscription.

Commission consists of sharing of gross merchandise volume ("**GMV**") earned by the customers from selling their products via the SaaS platform and is recognised when the transaction is completed.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

1 Material accounting policies (Continued)

(q) Revenue and other income (Continued)

(ii) Revenue from other sources and other income (Continued)

(b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group or the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of entities not using USD as functional currency are translated into USD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, are translated into USD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(t) Related parties

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

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

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

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

1 Material accounting policies (Continued)

(t) Related parties (Continued)

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

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

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

(u) Segment reporting

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

Individually 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.

2 Accounting judgements and estimates

The methods, estimates and judgements the management used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements, on matters that are inherently uncertain. The critical accounting judgements and significant accounting estimates in applying the Group's accounting policies are described below.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

2 Accounting judgements and estimates (Continued)

(a) Revenue recognition – Principal versus agent considerations

The Group provides cross-border digital marketing services to its customers using different business models, which involves the assessment of revenue recognition on a gross or net basis, i.e. principal vs. agent assessment in different business models. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the customer, the indicators of which include but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices from the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

(b) Loss allowance for trade receivables

The Group estimates the loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives.

(c) Income tax and deferred tax assets

The Group is subject to income taxes in different jurisdictions. During the year, certain subsidiaries in Chinese mainland provide intragroup research and development service and commercial support service to Powerwin Media Group Co., Limited ("**Powerwin Media**"). The evaluation of uncertain tax positions associated with such type of transactions involves significant judgment as to the ultimate outcome, the interpretation and application of the relevant tax laws, and the determination of the appropriate transfer pricing that reflects the location of value creation. Although the Group believes that it has made its best estimate of the tax position in accordance with the relevant tax laws in respect of the intra-group transactions, the final tax outcome of these matters may be different from that which is reflected in the Group's financial statements. Changes in facts and circumstances or new information becoming available may cause the Group to reassess its judgement or estimate in determining the transfer pricing policy and terms applied in the intra-group transactions, the adequacy of existing tax liabilities and eligible application for refund of the overpaid Hong Kong Profit Tax, if any. Such reassessment may result in changes to tax liabilities or tax refund which will impact tax expense in the period that such a determination is made.

2 Accounting judgements and estimates (Continued)

(c) Income tax and deferred tax assets (Continued)

Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences can be utilised, management's judgement is required to assess the probability of future taxable profits.

3 Revenue and segment information

(a) Revenue

The principal activities of the Group are the provisions of cross-border digital marketing services and cross-border online-shop SaaS solutions.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by major services is as follows:

	2024 USD'000	2023 USD'000
Cross-border digital marketing services		
Standardized digital marketing	**5,587**	9,766
Customized digital marketing	**3,132**	6,959
SaaS-based digital marketing	**2,796**	1,450
	11,515	18,175
Cross-border online-shop SaaS solutions	**1,942**	3,329
	13,457	21,504

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

3 Revenue and segment information (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

	2024 **USD'000**	2023 USD'000
Disaggregated by timing of revenue recognition		
– Point in time	**11,515**	18,175
– Over time	**1,942**	3,329
	13,457	21,504

There are three and two customers with whom transactions have exceeded 10% of the Group's revenues for the years ended 31 December 2024 and 2023, respectively. Revenue from these customers are set out below:

	2024 **USD'000**	2023 USD'000
Customer I	**3,892**	6,313
Customer II	**4,453**	6,033
Customer III	**1,870**	N/A*

* This represents that the revenue from that customer is less than 10% of the Group's revenue of that year.

(ii) Revenue expected to be recognised in the future arising from contracts in existence at each reporting date

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 to its sales contracts that had an original expected duration of one year or less and does not disclose the transaction price allocated to the unsatisfied performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

3 Revenue and segment information (Continued)

(b) Segment information

For the years ended 31 December 2024 and 2023, the geographical information on the total revenue based on the location of the respective entities of the Group rendering of the services is as follows:

	2024 USD'000	2023 USD'000
Hong Kong	13,456	21,499
Chinese mainland	1	5
	13,457	21,504

The following table sets out information about the geographical locations of the Group's specified non-current assets. Specified non-current assets exclude financial assets at fair value through profit or loss and deferred tax assets. The geographical locations of the specified non-current assets are based on the physical locations or the location of operations of the assets.

	2024 USD'000	2023 USD'000
Hong Kong	2,194	1,576
Chinese mainland	269	381
	2,463	1,957

4 Other income

	2024 USD'000	2023 USD'000
Interest income	480	326
Foreign exchange loss	(5)	(25)
Other income	2	5
	477	306

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2024 USD'000	2023 USD'000
Interest on bank loans	5,976	4,107
Interest on lease liabilities	28	39
	6,004	4,146

(b) Staff costs (including directors' emoluments):

	2024 USD'000	2023 USD'000
Salaries, wages and other benefits	3,393	3,529
Retirement scheme contributions	244	217
	3,637	3,746

The Group's subsidiaries in the People's Republic of China ("**PRC**") participate in defined contribution retirement benefit schemes (the "**Schemes**") organised by the PRC municipal and provincial government authorities, whereby the PRC entities are required to make contribution at the rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

The Group operates a Mandatory Provident Fund Scheme ("**the MPF scheme**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("**HKD**") 30,000. Contributions to the plan vest immediately.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

5 Profit before taxation (Continued)

(c) Other items:

	2024 USD'000	2023 USD'000
Changes in fair value of financial assets (note 26(e))	**(157)**	(70)
Auditors' remuneration	**344**	325
Listing expenses	**–**	1,147
Research and development costs (note (a))	**1,221**	1,134
Amortisation cost of intangible assets (note 14)	**75**	8
Depreciation		
– property, plant and equipment (note 11)	**29**	23
– right-of-use assets (note 12)	**612**	505

Note:

(a) Research and development costs include staff costs of employees in the research and development department, of which USD1,221,000 (2023: USD1,134,000) are included in the staff costs as disclosed above.

6 Income tax in the consolidated statement of profit or loss and other comprehensive income

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 USD'000	2023 USD'000
Current tax		
Provision for the year	**25**	1,513
	25	1,513
Deferred tax		
Origination and reversal of temporary differences (note 23(b))	**12**	(240)
	37	1,273

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

6 Income tax in the consolidated statement of profit or loss and other comprehensive income (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024 **USD'000**	2023 USD'000
Profit before taxation	**581**	8,458
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**176**	1,368
Tax effect of non-deductible expenses	**31**	30
Tax effect of non-taxable income	**(105)**	(65)
Statutory tax concession	**(65)**	(60)
Actual tax expense	**37**	1,273

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HKD2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

The statutory income tax rate for the subsidiaries in the PRC is 25%.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees USD'000	Salaries, and benefits USD'000	Discretionary bonuses USD'000	Retirement scheme contributions USD'000	2024 Total USD'000
Executive directors					
Mr. Li Xiang ("**Mr. Li**")	**–**	**288**	**46**	**17**	**351**
Ms. Yu Lu ("**Ms. Yu**")	**–**	**273**	**31**	**17**	**321**
Independent non-executive directors					
Mr. Li Kwok Tai James	**46**	**–**	**–**	**–**	**46**
Mr. Gong Peiyue	**31**	**–**	**–**	**–**	**31**
Ms. Zhao Yan	**31**	**–**	**–**	**–**	**31**
	108	**561**	**77**	**34**	**780**

	Directors' fees USD'000	Salaries, and benefits USD'000	Discretionary bonuses USD'000	Retirement scheme contributions USD'000	2023 Total USD'000
Executive directors					
Mr. Li	–	288	46	14	348
Ms. Yu	–	273	31	13	317
Independent non-executive directors					
Mr. Li Kwok Tai James	38	–	–	–	38
Mr. Gong Peiyue	26	–	–	–	26
Ms. Zhao Yan	26	–	–	–	26
	90	561	77	27	755

Mr. Li Kwok Tai James, Mr. Gong Peiyue and Ms. Zhao Yan were appointed as independent non-executive directors on 3 March 2023.

For the years ended 31 December 2024 and 2023, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 8 below 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 for the years ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2023: two) of them are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining three (2023: three) individuals are as follows:

	2024 **USD'000**	2023 USD'000
Salaries and other emoluments	**253**	234
Discretionary bonuses	**2**	7
Retirement scheme contributions	**13**	11
	268	252

The emoluments of the three (2023: three) individuals with the highest emoluments are within the following bands:

	2024 **Number of individuals**	2023 Number of individuals
Nil – HKD1,000,000	**3**	3

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

9 Other comprehensive income

Tax effects relating to each component of other comprehensive income:

	2024			2023		
	Before-tax amount USD'000	**Tax benefit USD'000**	**Net-of-tax amount USD'000**	Before-tax amount USD'000	Tax benefit USD'000	Net-of-tax amount USD'000
Exchange differences on translation of financial information of entities not using USD as functional currency	**33**	**–**	**33**	77	–	77

10 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of USD544,000 (2023: USD7,185,000) and the weighted average of 800,000,000 ordinary shares (2023: 750,000,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2024 '000	2023 '000
Issued ordinary shares at 1 January	**800,000**	1,000
Effect of the capitalisation issue (note 25(b)(i))	**–**	599,000
Effect of issue of ordinary shares by initial public offering (note 25(b)(ii))	**–**	150,000
Weighted average number of ordinary shares at 31 December	**800,000**	750,000

There were no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023; therefore, diluted earnings per share are the same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

11 Property, plant and equipment

	Office equipment and vehicles USD'000
Cost:	
At 1 January 2023	66
Additions	80
Exchange adjustments	(1)
At 31 December 2023 and 1 January 2024	145
Additions	9
Exchange adjustments	(1)
At 31 December 2024	153
Accumulated depreciation:	
At 1 January 2023	(36)
Charge for the year	(23)
Exchange adjustments	1
At 31 December 2023 and 1 January 2024	(58)
Charge for the year	(29)
Exchange adjustments	1
At 31 December 2024	(86)
Net book value:	
At 31 December 2024	67
At 31 December 2023	87

NOTES TO THE FINANCIAL STATEMENTS
(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

12 Right-of-use assets

	Leased properties USD'000
Cost:	
At 1 January 2023	1,019
Additions	1,038
Disposals	(102)
Exchange adjustments	(23)
At 31 December 2023 and 1 January 2024	1,932
Additions	191
Lease modification	(31)
Disposals	(29)
Exchange adjustments	(20)
At 31 December 2024	2,043
Accumulated depreciation:	
At 1 January 2023	(699)
Charge for the year	(505)
Disposals	93
Exchange adjustments	17
At 31 December 2023 and 1 January 2024	(1,094)
Charge for the year	(612)
Disposals	6
Exchange adjustments	17
At 31 December 2024	(1,683)
Net book value:	
At 31 December 2024	360
At 31 December 2023	838

Details of the maturity analysis of lease liabilities is set out in note 26(b).

The Group leases various offices for own use. The lease terms of lease contracts vary from 2 years to 3 years. None of the leases includes variable lease payments.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

13 Other non-current assets

	2024 **USD'000**	2023 USD'000
Prepayments for purchase of intangible assets	**–**	1,000

14 Intangible assets

	Software USD'000
Cost:	
At 1 January 2023	50
Exchange adjustments	(1)
At 31 December 2023 and 1 January 2024	49
Additions	2,080
Exchange adjustments	(1)
At 31 December 2024	2,128
Accumulated amortisation:	
At 1 January 2023	(9)
Charge for the year	(8)
Exchange adjustments	–*
At 31 December 2023 and 1 January 2024	(17)
Charge for the year	(75)
Exchange adjustments	–*
At 31 December 2024	(92)
Net book value:	
At 31 December 2024	2,036
At 31 December 2023	32

* The balance represents amount less than USD1,000.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

15 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Place and date of incorporation/ establishment	Particulars of registered/ issued and paid-up capital	Proportion of ownership interest Held by the Company	Held by a subsidiary	Principal activities
Directly held					
Able Best Investment Group Limited	BVI/ 8 July 2019	USD50,000/USD1	100%	–	Investment holding
Indirectly held					
Powerwin E-commerce Group Limited	Hong Kong/ 9 November 2021	HKD10,000/ HKD10,000	–	100%	cross-border online-shop SaaS solutions business
Powerwin Media	Hong Kong/ 26 August 2013	HKD1,000,000/ HKD1,000,000	–	100%	Cross-border digital marketing and online-shop SaaS solutions business
Beijing Yingli Information Consulting Co., Ltd. (北京贏力信息諮詢有限公司, "**Beijing Yingli**") (notes (a)(c))	PRC/ 9 December 2021	Renminbi ("**RMB**") 1,000,000/–	–	100%	Cross-border digital marketing and online-shop SaaS solutions business
Powerwin Media (Shenzhen) Co., Ltd. (力盟傳媒(深圳)有限公司, "**Powerwin Shenzhen**") (notes (b)(c))	PRC/ 9 July 2018	RMB500,000/–	–	100%	Cross-border digital marketing business
Beijing Dingli Information Technology Co., Ltd. (北京鼎勵信息技術有限公司, "**Beijing Dingli**") (notes (b)(c))	PRC/ 12 December 2018	RMB500,000/–	–	100%	Cross-border digital marketing business

Notes:

(a) The entity is wholly foreign-owned enterprise established in the PRC.

(b) These entities are limited liability companies established in the PRC.

(c) The English translation of the company names is for reference only. The official names of these entities are in Chinese. These entities are limited liability companies established in the PRC.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

16 Financial assets measured at fair value through profit or loss

	2024 USD'000	2023 USD'000
Financial assets measured at fair value through profit or loss:		
– Deposit component of the insurance contracts	**4,627**	2,765

The Group, as the policyholder and beneficiary owner, held some life insurance contracts, which contained not only an insurance component, but also a deposit component. The Group develops an accounting policy to unbundle the insurance component and the deposit component upon initial recognition. The one-off initial charges paid upfront for the insurance coverage were booked as prepaid expenses and would be amortised to expenses, during the period in which the Group expected to hold the insurance contracts. The remaining upfront policy fee paid after deducting the upfront charges was regarded as the deposit component and was accounted for under HKFRS 9 Financial Instruments. As the Group was entitled to a guaranteed minimum return as well as an unguaranteed investment return, the deposit component did not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. In accordance with HKFRS 9.4.1.4, the deposit component was measured at fair value through profit or loss. Please see note 26(e) for the measurement of the fair value of the deposit component.

17 Trade and other receivables

	2024 USD'000	2023 USD'000
Trade receivables-third parties	**228,934**	203,614
Less: loss allowance on trade receivables	**(7,378)**	(6,643)
	221,556	196,971
Amounts due from related parties	**13**	11
Amounts due from third parties	**804**	620
	222,373	197,602

17 Trade and other receivables (Continued)

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group has entered into certain factoring arrangements with banks on a with-recourse basis, under which the Group obtained prepayment in respect of the invoice amounts owed from certain customers. Under these arrangements, the banks pay the Group agreed portion of the amounts owed from the customers on the original due dates, and then the Group settles the prepayment within the debt grace period.

As at 31 December 2024, the amount of trade receivables under factoring arrangements was USD126,112,000 (2023: USD69,294,000).

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	2024	2023
	USD'000	USD'000
Within 1 month	**62,614**	75,349
Over 1 month but within 2 months	**64,694**	50,445
Over 2 months but within 3 months	**13,698**	16,907
Over 3 months but within 6 months	**17,404**	15,960
Over 6 months but within 12 months	**52,487**	23,234
Over 12 months	**18,037**	21,719
	228,934	203,614

Trade debtors are due within 30 to 300 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 26(a).

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

18 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

	2024 USD'000	2023 USD'000
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement		
– Cash at bank and on hand	**34,393**	21,814

As at 31 December 2024, cash and cash equivalents situated in Chinese mainland amounted to USD282,000 (31 December 2023: USD216,000). Remittance of funds out of Chinese mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of profit before taxation to cash used in operations:

	Note	2024 USD'000	2023 USD'000
Profit before taxation		**581**	8,458
Adjustments for:			
Depreciation	5(c)	**641**	528
Amortisation of intangible assets	14	**75**	8
Finance costs	5(a)	**6,004**	4,146
Interest income		**(480)**	(326)
(Gain)/loss on disposal of right-of-use assets		**(1)**	5
Expected credit losses on trade receivables	26(a)	**735**	1,454
Increase in financial assets measured at FVPL		**(98)**	(47)
Changes in working capital:			
Increase in trade and other receivables		**(25,506)**	(90,411)
Increase in trade and other payables		**56**	30,713
Decrease in contract liabilities		**(99)**	(162)
Cash used in operations		**(18,092)**	(45,634)

18 Cash and cash equivalents and other cash flow information (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans USD'000 (Note 21)	Lease liabilities USD'000 (Note 22)	Total USD'000
At 1 January 2024	**61,022**	**848**	**61,870**
Changes from financing cash flows:			
Proceeds from new bank loans	610,209	–	610,209
Repayment of bank loans	(568,766)	–	(568,766)
Capital element of lease rentals paid	–	(586)	(586)
Interest element of lease rentals paid	–	(28)	(28)
Interest expense paid	(5,883)	–	(5,883)
Total changes from financing cash flows	35,560	(614)	34,946
Exchange adjustments	–	(3)	(3)
Other changes:			
Increase in lease liabilities from entering into new leases during the year (note 12)	–	191	191
Lease modification	–	(31)	(31)
Early termination of lease contracts	–	(24)	(24)
Interest expenses (note 5(a))	5,976	28	6,004
Total other changes	5,976	164	6,140
At 31 December 2024	**102,558**	**395**	**102,953**

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

18 Cash and cash equivalents and other cash flow information (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans USD'000 (Note 21)	Lease liabilities USD'000 (Note 22)	Total USD'000
At 1 January 2023	29,021	309	29,330
Changes from financing cash flows:			
Proceeds from new bank loans	601,481	–	601,481
Repayment of bank loans	(569,611)	–	(569,611)
Capital element of lease rentals paid	–	(488)	(488)
Interest element of lease rentals paid	–	(39)	(39)
Interest expense paid	(3,976)	–	(3,976)
Total changes from financing cash flows	27,894	(527)	27,367
Exchange adjustments	–	(7)	(7)
Other changes:			
Increase in lease liabilities from entering into new leases during the year (note 12)	–	1,038	1,038
Early termination of lease contracts	–	(4)	(4)
Interest expenses (note 5(a))	4,107	39	4,146
Total other changes	4,107	1,073	5,180
At 31 December 2023	61,022	848	61,870

18 Cash and cash equivalents and other cash flow information (Continued)

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2024 USD'000	2023 USD'000
Within operating cash flows	**3**	22
Within financing cash flows	**614**	527
	617	549

These amounts relate to the following:

	2024 USD'000	2023 USD'000
Lease rentals paid	**617**	549

19 Trade and other payables

	2024 USD'000	2023 USD'000
Trade payables – third parties	**128,459**	128,361
VAT and other taxes payable	**21**	27
Payroll payable	**265**	324
Other payables and accruals	**287**	264
	129,032	128,976

All trade and other payables are expected to be settled within one year or are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

19 Trade and other payables (Continued)

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2024 **USD'000**	2023 USD'000
Within 1 month	**62,236**	52,784
Over 1 month but within 3 months	**66,223**	75,577
	128,459	128,361

20 Contract liabilities

	2024 **USD'000**	2023 USD'000
Advanced payment received	**4,071**	4,170

Movements in contract liabilities

	2024 **USD'000**	2023 USD'000
Balance at 1 January	**4,170**	4,332
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(3,379)**	(1,837)
Increase in contract liabilities as a result of billing in advance of sales	**3,280**	1,675
Balance at 31 December	**4,071**	4,170

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

21 Bank loans

(a) The analysis of the repayment schedule of bank loans is as follows:

	2024 **USD'000**	2023 USD'000
Within 1 year or on demand	**100,638**	60,254
After 1 year but within 2 years	**221**	285
After 2 years but within 5 years	**260**	483
After 5 years	**1,439**	–
Sub-total	**1,920**	768
Total	**102,558**	61,022

(b) Assets pledged as security and covenants for bank loans

As at 31 December 2024, the bank loans were secured as follows:

	2024 **USD'000**	2023 USD'000
Secured bank loans	**102,558**	61,022

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

21 Bank loans (Continued)

(b) Assets pledged as security and covenants for bank loans (Continued)

At 31 December 2024, bank loans of USD2,212,000 (31 December 2023: USD1,046,000) were guaranteed by the Company and secured by financial assets measured at fair value through profit or loss (see note 16).

At 31 December 2024, bank loans of USD42,474,000 (31 December 2023: USD1,470,000) were secured by trade receivables according to the factoring arrangements (see note 17).

At 31 December 2024, bank loans of USD57,872,000 (31 December 2023: USD52,504,000) were guaranteed by the Company and secured by trade receivables according to the factoring arrangements (see note 17).

All of the Group's banking facilities are subject to the fulfilment of covenants, such as dividend payout ratio, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 26(b). As at 31 December 2024, none of the covenants relating to draw-down banking facilities had been breached.

22 Lease liabilities

At 31 December 2024, the lease liabilities were repayable as follows:

	2024 **USD'000**	2023 USD'000
Within 1 year or on demand	**326**	595
After 1 year but within 2 years	**69**	253
	395	848

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

23 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	2024	2023
	USD'000	USD'000
As at 1 January	**703**	290
Provision for the year	**25**	1,513
Income tax paid	**(1,936)**	(1,100)
Reclassified to prepaid income tax	**1,221**	–
As at 31 December	**13**	703

(b) Deferred tax assets and liabilities recognised:

Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	**Credit loss allowance**	**Lease liabilities**	**Right-of-use assets**	**Accrued expenses**	**Total**
	USD'000	USD'000	USD'000	USD'000	USD'000
As at 1 January 2023	855	16	(16)	4	859
Credited to profit or loss	240	–*	–*	–*	240
At 31 December 2023 and 1 January 2024	**1,095**	**16**	**(16)**	**4**	**1,099**
(Charged)/credited to profit or loss	**(13)**	**(4)**	**(5)**	**–***	**(12)**
At 31 December 2024	**1,082**	**12**	**(11)**	**4**	**1,087**

* The balance represents amount less than USD1,000.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

23 Income tax in the consolidated statement of financial position (Continued)

(c) Deferred tax liabilities not recognised

The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%. The Group has not recognised deferred tax liabilities as at 31 December 2024 in respect of undistributed earnings of USD1,495,000 (31 December 2023: USD1,132,000) as the Company controls the dividend policy of the subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

24 Company-level statement of financial position

	Note	2024 USD'000	2023 USD'000
Non-current assets			
Investment in a subsidiary	15	–*	–*
Current assets			
Cash		24	18
Other receivables		18,609	19,017
		18,633	19,035
Current liabilities			
Other payables		7,458	7,462
		7,458	7,462
Net assets		11,175	11,573
CAPITAL AND RESERVES	25(d)		
Share capital		8,000	8,000
Reserves		3,175	3,573
TOTAL EQUITY		11,175	11,573

* The balance represents amount less than USD1,000.

25 Capital, reserves and dividends

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

No dividend was declared for the year ended 31 December 2024 (2023: nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

No dividend was paid for the year ended 31 December 2024 (2023: USD1,298,000).

(b) Share capital

	2024		2023	
	No. of shares '000	**USD'000**	No. of shares '000	USD'000
Authorised:				
USD0.01 each share	**2,000,000**	**20,000**	2,000,000	20,000

	Note	**2024**		2023	
		No. of shares '000	**USD'000**	No. of shares '000	USD'000
Ordinary shares, issued and fully paid:					
At 1 January		**800,000**	**8,000**	1,000	10
Capitalisation issue	i	**–**	**–**	599,000	5,990
Issue of ordinary shares by initial public offering	ii	**–**	**–**	200,000	2,000
At 31 December		**800,000**	**8,000**	800,000	8,000

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Capital, reserves and dividends (Continued)

(b) Share capital (Continued)

(i) Increase of the authorized share capital and capitalisation issue

On 3 March 2023, the authorized share capital of the Company was increased from USD50,000 divided into 5,000,000 shares of a par value of USD0.01 each to USD20,000,000 divided into 2,000,000,000 shares of a par value of USD0.01 each by the creation of an additional of 1,995,000,000 shares of a par value of USD0.01 each pursuant to the written resolutions passed by the then shareholders of the Company.

Pursuant to the written resolution passed by the shareholders of the Company on 3 March 2023, the directors of the Company were authorized to allot and issue 599,000,000 shares of USD0.01 each credited as fully paid at par to the shareholders by way of capitalisation of that sum standing to the credit of the share premium account of the Company.

(ii) Issue of ordinary shares by initial public offering

On 31 March 2023, the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited, where 200,000,000 shares of USD0.01 each were issued and subscribed at a price of HKD0.70 each. The net proceeds from initial public offering amounted to USD15,943,000 (after offsetting listing expenses directly attributable to the issue of shares of USD1,892,000), out of which USD2,000,000 and USD13,943,000 were recorded in share capital and share premium accounts, respectively.

(c) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

25 Capital, reserves and dividends (Continued)

(d) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital USD'000	Share premium USD'000	Accumulated losses USD'000	Total (deficit)/equity USD'000
Balance at 1 January 2023		10	–	(2,958)	(2,948)
Changes in equity for 2023:					
Issue of ordinary shares by initial public offering, net of listing expenses	25b(ii)	2,000	13,943	–	15,943
Effect of the capitalisation issue	25b(i)	5,990	(5,990)	–	–
Loss for the year		–	–	(1,422)	(1,422)
Balance at 31 December 2023 and 1 January 2024		**8,000**	**7,953**	**(4,380)**	**11,573**
Changes in equity for 2024:					
Loss for the year		**–**	**–**	**(398)**	**(398)**
Balance at 31 December 2024		**8,000**	**7,953**	**(4,778)**	**11,175**

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

25 Capital, reserves and dividends (Continued)

(e) Nature and purpose of reserves

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from translation of financial information of entities not using USD as functional currency. The reserve is dealt with in accordance with the accounting policies set out in note 1(r).

(f) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 – 300 days (2023: 30 – 300 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 30% (2023: 26%) and 83% (2023: 77%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on ageing status is not further distinguished between the Group's different customer bases.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024 and 2023:

	2024		
	Expected loss rate %	Gross carrying amount USD'000	Loss allowance USD'000
Not overdue	0.13%	183,909	238
Within 1 year	2.86%	29,414	842
More than 1 year but within 2 years	9.09%	7,688	699
More than 2 years	63.56%	3,123	1,985
Subtotal		224,134	3,764
Individual provision	75.29%	4,800	3,614
		228,934	7,378

26 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

	2023		
	Expected loss rate %	Gross carrying amount USD'000	Loss allowance USD'000
Not overdue	0.29%	111,137	323
Within 1 year	0.89%	76,076	675
More than 1 year but within 2 years	5.47%	8,612	471
More than 2 years	62.65%	6,846	4,289
Subtotal		202,671	5,758
Individual provision	93.85%	943	885
		203,614	6,643

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2024 USD'000	2023 USD'000
Balance at 1 January	**6,643**	5,189
Expected credit losses recognized during the year	**735**	1,454
Balance at 31 December	**7,378**	6,643

Other receivables

In determining the ECL for other receivables, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management of the Group has assessed that other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no provision for impairment of other receivables is considered necessary by management for the year ended 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values (Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and its relationship with finance providers, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay.

	2024					
	Undiscounted cash outflow					
	Within 1 year or on demand USD'000	More than 1 year but less than 2 years USD'000	More than 2 years but less than 5 years USD'000	More than 5 years USD'000	Total USD'000	Carrying amount at 31 December USD'000
Bank loans	**100,763**	**341**	**563**	**1,917**	**103,384**	**102,558**
Lease liabilities	**336**	**70**	**–**	**–**	**406**	**395**
Trade and other payables	**129,032**	**–**	**–**	**–**	**129,032**	**129,032**
	230,131	**411**	**563**	**1,917**	**233,022**	**231,985**

	2023					
	Undiscounted cash out flow					
	Within 1 year or on demand USD'000	More than 1 year but less than 2 years USD'000	More than 2 years but less than 5 years USD'000	More than 5 years USD'000	Total USD'000	Carrying amount at 31 December USD'000
Bank loans	60,528	330	528	–	61,386	61,022
Lease liabilities	627	254	–	–	881	848
Trade and other payables	128,976	–	–	–	128,976	128,976
	190,131	584	528	–	191,243	190,846

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values (Continued)

(c) Interest rate risk

(i) Interest rate risk profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans issued at fixed rates and variable rates, and lease liabilities that expose the Group to cash flow interest rate risk.

The following table details the interest rate profile of the Group's bank loans at the end of the reporting period:

	Notional amount	
	2024	2023
	USD'000	USD'000
Fixed rate liabilities:		
Lease liabilities	**395**	848
Bank loans	**42,474**	1,470
	42,869	2,318
Variable rate liabilities:		
Bank loans	**59,992**	59,503
Net exposure	**59,992**	59,503

(ii) Sensitivity analysis

At 31 December 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately USD501,000 (2023: USD497,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of each reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis as 2023.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values (Continued)

(d) Currency risk

The Group operates in Hong Kong with most of the Group's monetary assets and liabilities and transactions principally denominated in US dollars. The Group does not have significant exposure to foreign currency risk.

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*.

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs

26 Financial risk management and fair values (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair value at the end of each reporting period:

	Fair value at 31 December 2024	**Fair value measurements as at 31 December 2024 categorised into**		
		Level 1	**Level 2**	**Level 3**
	USD'000	**USD'000**	**USD'000**	**USD'000**
Recurring fair value measurement				
Financial assets measured at fair value through profit or loss:				
Deposit component of the insurance contracts	**4,627**	**–**	**–**	**4,627**

	Fair value at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Level 1	Level 2	Level 3
	USD'000	USD'000	USD'000	USD'000
Recurring fair value measurement				
Financial assets measured at fair value through profit or loss:				
Deposit component of the insurance contracts	2,765	–	–	2,765

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

26 Financial risk management and fair values (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets measured at fair value (Continued)

Information about Level 3 fair value measurements

The fair value of the deposit component of the insurance contracts was measured based on the statements provided by the insurance company.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2024	2023
	USD'000	USD'000
As at 1 January	**2,765**	1,527
Purchase of financial assets measured at fair value through profit or loss	**1,764**	1,191
Changes in fair value recognised in profit or loss during the year	**157**	70
Used for monthly insurance fee charged	**(59)**	(23)
As at 31 December	**4,627**	2,765

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023 because of the short-term maturities of all these financial instruments.

27 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	2024	2023
	USD'000	USD'000
Salaries, allowances and benefits	**786**	798
Retirement scheme contributions	**43**	35
Short-term employee benefits	**829**	833

Total remuneration is included in "staff costs" (see note 5(b)).

(b) Related parties transactions

During the years ended 31 December 2024 and 2023, the Group did not have material transactions or outstanding balances with related parties.

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN USD UNLESS OTHERWISE INDICATED)

28 Immediate and ultimate controlling party

At 31 December 2024, the directors consider the immediate parent of the Group to be Common Excellence International Group Limited which is incorporated in BVI and does not produce financial statements available for public use, and the ultimate controlling party of the Company to be Mr. Li and Ms. Yu.

29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	Year ended December 31,				
	2020 USD'000	2021 USD'000	2022 USD'000	2023 USD'000	**2024** **USD'000**
Revenue	11,686	14,346	16,429	21,504	**13,457**
Profit before taxation	6,953	6,861	6,411	8,458	**581**
Income tax	(1,062)	(1,086)	(917)	(1,273)	**(37)**
Profit for the year	5,891	5,775	5,494	7,185	**544**
Other comprehensive income for the year (after tax)					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial information of entities not using USD as functional currency	(16)	20	(40)	77	**33**
Other comprehensive income for the year	(16)	20	(40)	77	**33**
Total comprehensive income for the year attributable to equity shareholders of the Company	5,875	5,795	5,454	7,262	**577**

CONSOLIDATED ASSETS AND LIABILITIES

	As at December 31,				
	2020 USD'000	2021 USD'000	2022 USD'000	2023 USD'000	**2024** **USD'000**
Assets					
Total non-current assets	2,575	2,767	2,777	5,821	**8,177**
Total current assets	118,745	147,731	137,261	219,416	**257,987**
Total assets	121,320	150,498	140,038	225,237	**266,164**
Liabilities					
Total current liabilities	111,492	141,101	133,179	194,698	**234,080**
Total non-current liabilities	964	738	546	1,021	**1,989**
Total liabilities	112,456	141,839	133,725	195,719	**236,069**
Net assets	8,864	8,659	6,313	29,518	**30,095**
Total equity	8,864	8,659	6,313	29,518	**30,095**

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Able Best"	Able Best Investment Group Limited (佳成投資集團有限公司), a company with limited liability incorporated under the laws of BVI on July 8, 2019 and a direct wholly-owned subsidiary of our Company
"affiliates"	with respect to any person, any other person, directly or indirectly, controlling, controlled by or under common control with such person
"AGM"	the forthcoming annual general meeting of our Company to be held on Thursday, June 26, 2025
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company, as amended, supplemented or restated from time to time
"Audit Committee"	the audit committee under the Board
"Beijing Dingli"	Beijing Dingli Information Technology Co., Ltd.* (北京鼎勵信息技術有限公司), a limited liability company incorporated under the laws of the PRC on December 12, 2018 and an indirect wholly-owned subsidiary of our Company
"Beijing Yingli"	Beijing Yingli Information Consulting Co., Ltd.* (北京贏力信息諮詢有限公司), a limited liability company incorporated under the laws of the PRC on December 9, 2021 and an indirectly wholly-owned subsidiary of our Company
"Board"	board of directors of our Company
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Common Excellence"	Common Excellence International Group Limited, a company with limited liability incorporated under the laws of BVI on October 27, 2021 and one of our Controlling Shareholders
"Companies Act"	the Companies Act (As Revised) of the Cayman Islands (Chapter 22, Law 3 of 1961), as consolidated and revised from time to time

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Company" or "we" or "our Company"	Powerwin Tech Group Limited (力盟科技集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 7, 2019
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, with respect to our Company, refers to any of Mr. Li, Ms. Yu, Lucky Linkage, Total Best, Wealth Express, Total Mice, Common Excellence, Honest Beauty and Into One
"COVID-19"	coronavirus disease 2019, a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2 virus)
"Director"	a director of our Company
"Global Offering"	the Hong Kong Public Offer and the International Placing (as defined in the Prospectus)
"GMV"	gross merchandise volume, the total value of merchandise sold through an e-commerce platform over a given period of time
"Group", "our Group", "we", "our" or "us"	our Company and, where appropriate, its subsidiaries or, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, amendments and the related interpretations issued by the Hong Kong Institute of Certified Public Accountants
"Honest Beauty"	Honest Beauty International Group Company Limited, a company with limited liability incorporated under the laws of BVI on September 1, 2021 and one of our Controlling Shareholders
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Imperial Trust"	the family trust established by Mr. Li as settlor and constituted by the trust deed dated January 4, 2022 and entered into between Mr. Li and the Trustee pursuant to the Reorganization

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Into One"	Into One International Group Limited, a company with limited liability incorporated under the laws of BVI on October 27, 2021 and one of our Controlling Shareholders
"KOC"	key opinion consumer
"KOL"	key opinion leader
"KPI"	key performance indicator, which, in the context of digital marketing, means the indicator that reflects the effectiveness and performance of the marketing campaign such as the number of clicks, impressions, new installations, downloads, sign-ups or sales
"Listing Date"	the date on which our Shares are listed and Shares first commence dealing on the Main Board of the Stock Exchange, being March 31, 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Lucky Linkage"	Lucky Linkage International Holdings Limited (福聯國際控股有限公司), a company with limited liability incorporated under the laws of BVI on September 18, 2018 and one of our Controlling Shareholders
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"marketer"	any person, company or organization which markets its brand(s), product(s) and service(s) through marketing campaigns or advertisements
"media publisher"	a media platform operator such as social media, search engines, news or web portals operator which provides ad inventories for marketers to launch online marketing campaigns
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company, as amended, supplemented or restated from time to time
"Memorandum and Articles of Association"	collectively, the Memorandum of Association and the Articles of Association

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Mr. Li"	Mr. Li Xiang, chairman of the Board, an executive Director and the chief executive officer of our Company, and one of our Controlling Shareholders
"Ms. Yu"	Ms. Yu Lu, an executive Director and the deputy chief operating officer of our Company, and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee under the Board
"Powerwin E-commerce"	Powerwin E-commerce Group Limited (力盟跨境電商集團有限公司), a company with limited liability incorporated under the laws of Hong Kong on November 9, 2021 and an indirect wholly-owned subsidiary of our Company
"Powerwin Media"	Powerwin Media Group Co., Limited (力盟傳媒集團有限公司), a company with limited liability incorporated under the laws of Hong Kong on August 26, 2013 and an indirect wholly-owned subsidiary of our Company
"Powerwin Shenzhen"	Powerwin Media (Shenzhen) Co., Ltd.* (力盟傳媒(深圳)有限公司), a limited liability company incorporated under the laws of the PRC on July 9, 2018 and an indirect wholly-owned subsidiary of our Company
"Prospectus"	the prospectus of our Company dated March 21, 2023 in connection with the Hong Kong public offering of our Company
"Remuneration Committee"	the remuneration committee under the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2024
"RPA"	robotic process automation
"SaaS"	software as a service, a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of US$0.01 each

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

"Shareholder"	a holder of our Shares
"SMB"	small and medium-sized business
"standalone online shops"	e-commerce merchants' own official online platforms (as opposed to online shops operated on third-party platforms) for releasing and offering products and providing a series of services to consumers such as order placement, payment and logistics and order fulfillment
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Listing Rules
"Total Best"	Total Best International Group Limited (匯好國際集團有限公司), a company with limited liability incorporated under the laws of BVI on September 18, 2018 and one of our Controlling Shareholders
"Total Mice"	Total Mice International Group Company Limited, a company with limited liability incorporated under the laws of BVI on September 1, 2021 and one of our Controlling Shareholders
"Tranquil Trust"	the family trust established by Ms. Yu as settlor and constituted by the trust deed dated January 4, 2022 and entered into between Ms. Yu and the Trustee pursuant to the Reorganization
"Trustee"	HSBC International Trustee Limited, a company with limited liability incorporated under the laws of BVI, being the trustee of each of the Imperial Trust and the Tranquil Trust
"US$" or "USD"	United States dollars, the lawful currency of the United States
"United States"	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
"Wealth Express"	Wealth Express International Investment Limited (向財國際投資有限公司), a company with limited liability incorporated under the laws of BVI on July 10, 2018 and one of our Controlling Shareholders
"%"	per cent.

* *For identification purpose only*