ENTERPRISE DEVELOPMENT
HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1808

ANNUAL REPORT
2024

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Yu Hui *(Chief Executive Officer)*
Li Zhuoyang

Independent Non-executive Directors
Cai Jinliang
Chin Hon Siang
Chen Kwok Wang

COMPANY SECRETARY
Chan Yuen Ying, Stella

AUTHORISED REPRESENTATIVES
Li Zhuoyang
Chan Yuen Ying, Stella

AUDIT COMMITTEE
Cai Jinliang *(Committee Chairman)*
Chin Hon Siang
Chen Kwok Wang

REMUNERATION COMMITTEE
Chin Hon Siang *(Committee Chairman)*
Cai Jinliang
Li Zhuoyang

NOMINATION COMMITTEE
Chin Hon Siang *(Committee Chairman)*
Cai Jinliang
Li Zhuoyang

AUDITORS
HLB Hodgson Impey Cheng Limited

REGISTERED OFFICE
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Cayman Islands

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18 Fenwick Street/46 Gloucester Road
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Suntera (Cayman) Limited
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Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Union Registrars Limited
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Hong Kong

PRINCIPAL BANKER
Bank of Communications Co., Ltd.

STOCK CODE
1808

COMPANY WEBSITE
www.1808.com.hk

EXECUTIVE DIRECTORS' STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Enterprise Development Holdings Limited (the "Company"), I present herewith the annual results of the Company and its subsidiaries (the "Group") for year ended 31 December 2024.

For the year ended 31 December 2024, the Group recorded the consolidated net profit attributable to shareholders of the Company of approximately RMB72,737,000 as compared to the consolidated net profit attributable to shareholders of the Company of approximately RMB5,550,000 in 2023. For the year ended 31 December 2024, the Group's profit was mainly affected by a combined effect of, including but not limited to, (i) distribution expenses of RMB21,921,000; (ii) general and administrative expenses of RMB41,868,000; (iii) finance costs of RMB9,186,000; and (iv) income tax expenses of RMB1,727,000; which were offset by (i) a gross profit of RMB46,014,000; (ii) realised gain on the disposal of financial assets at fair value through profit or loss of RMB99,138,000; and (iii) unrealised gain on financial assets at fair value through profit or loss of RMB4,991,000.

This year, the Company has taken the initiative to position itself within the digital economy field with data, intelligent computing and edge computing, networks and applications as core elements, insisted on leading with innovation, seeking progress while maintaining stability. We committed to building the Company into a service provider that focuses on the field of digital economy, data elements, data asset operations, artificial intelligence, and intelligent computing and edge computing to provide customers with integrated digital technology solutions. At present, the business layout and development have begun to bear fruit with satisfactory phased achievements. The net profit has increased significantly compared with last year.

Looking forward to the future, in order to actively embrace the opportunities of the digital transformation era, in terms of implementation roadmap, the Group will adopt a business-oriented approach to open up and establish a "three chains and one circle" model: focusing on the overall synergy of the innovation chain, industrial chain and financial chain. Through an organic combination of four aspects, namely business model innovation, data element assetization, capitalization of investments and incubation results and industrial layout ecologicalization, we will continuously reinforce an innovation-driven, open and win-win digital economy ecosystem. Meanwhile, the Company will strengthen its advantages and address weaknesses and combine its technological and capital advantages in a dual-chain approach to empower each node across the industrial ecosystem through means such as industrial incubation and investments.

The Group will fully leverage its technological potential of big data, big models and high performance computing power to continuously optimize and consolidate its first-mover advantages in the fields of data elements, data asset operations, intelligent computing and edge computing, while also facilitating and strengthening the integration of digital and real economy and driving ongoing business innovation and upgrades to propel the Group's long-term development and create value for its shareholders.

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation for the full support of all Shareholders, the wholehearted cooperation of business partners and the diligent work of the staff, we will commit and continue to do our best to achieve excellent results in the future.

Yu Hui
Executive Director and Chief Executive Officer

Hong Kong, 21 March 2025

BIOGRAPHIES OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Yu Hui ("**Mr. Yu**"), aged 61, was appointed as an executive Director and the chief executive officer of the Company on 26 October 2023. Mr. Yu, with a Master's degree in economics, is a digital government and digital economy professional. He served as the dean of technology research institution of Fujian Xingyun Big Data Application Service Co., Ltd.*, chief architect of Fujian Big Data Co., Ltd.*, and president of Fujian Start Group Co., Ltd.*. Mr. Yu organized and participated in research and development of over 20 patents in IT software such as big data, internet of things (IoE) and blockchain etc. and has deep knowledge and extensive practical experience in areas of cloud network edge, data elementization and digital government construction. Mr. Yu graduated from Xiamen University with a Master's degree in economics, specialising in global economics in 1999.

Ms. Li Zhuoyang ("**Ms. Li**") (formerly, Li Yueqiu), aged 50, was appointed as an executive Director on 24 May 2021. She is also a member of each of the nomination committee (the "Nomination Committee") and the remuneration committee (the "Remuneration Committee") of the Company. Ms. Li obtained a Bachelor's degree from Southwestern University of Finance and Economics in December 1998. She is currently an EMBA student at China Europe International Business School. Ms. Li has joined 北京東方龍馬軟件發展有限公司 (Beijing Orient LegendMaker Software Development Co., Ltd.*), a non wholly-owned subsidiary of the Company since 2000. She was a director of Beijing Orient LegendMaker, a legal representative and an executive director of each of 上海東方龍馬技術有限公司 (Shanghai Orient LegendMaker Technology Co., Ltd.*) and 成都東方龍馬信息產業有限公司 (Chengdu Orient LegendMaker Information Industry Co., Ltd.*), all are non wholly-owned subsidiaries of the Company, and a legal representative of the Guangzhou Branch of Beijing Orient LegendMaker. Ms. Li has been a legal representative, chairman and president of Beijing Orient LegendMaker since 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cai Jinliang ("**Mr. Cai**"), aged 55, was appointed as an independent non-executive Director on 24 August 2020. He is also the chairman of the audit committee of the Company (the "Audit Committee"), and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Cai was graduated from Gannan Normal University in July 1989, majoring in Mathematics and obtained a Master degree of Business Administration and a Postgraduate Degree from Northwest Polytechnical University in September 2006. He has been a certified public accountant in China since August 2008 and has more than 15 years of practicing experience and obtained the qualification of a certified internal auditor, certification in control self-assessment and an independent director in the Shanghai Stock Exchange. Mr. Cai joined Wuyige Certified Public Accountants LLP in October 2012 and has been a partner and department manager since April 2018. He had been a senior project manager and a manager in RSM China LLP (now known as Ruihua Certified Public Accountants) during the period from 2006 to September 2012. Mr. Cai has been an independent director, and the convener of the board of directors and the audit committee of Fujian Start Group Co., Ltd. ("Fujian Start") (a company listed on the Shanghai Stock Exchange; stock code: 600734) during the period from September 2018 to January 2025.

According to the announcement of Fujian Start made on 8 April 2022 (the "Fujian Start Regulatory Announcement"), 中國證券監督管理委員會福建監管局 (China Securities Regulatory Commission (Fujian)*) ("CSRC") concluded after investigation that Fujian Start failed to make accurate disclosure (i) in relation to its financial statements of 2018 (the "Fujian Start FY2018 Financial Statements"), which contained inflated recorded revenue and costs of sales of one of its subsidiaries; and (ii) in relation to its financial statements of 2019 (the "Fujian Start FY2019 Financial Statements"), which contained inflated net profits and net assets of Fujian Start as a result of inaccurate impairment valuation assessment. CSRC considered that the relevant directors of Fujian Start, including Mr. Cai, who was then an independent director of Fujian Start, failed to exercise proper due diligence to ensure true, accurate and complete disclosure of the financial conditions of Fujian Start in the Fujian Start FY2018 Financial Statements and Fujian Start FY2019 Financial Statements and hence had breached the applicable securities laws in the PRC. According to the Fujian Start Regulatory Announcement, CSRC issued a warning against the relevant directors of Fujian Start, including Mr. Cai, and imposed penalty in the amount of RMB90,000 (as confirmed by the announcement of CSRC issued on 8 December 2022) against Mr. Cai.

He had conducted the audit work on the annual reports of Shandong Xinneng Taishan Power Generation Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 720), Xinyangfeng Agricultural Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange; stock code: 902), Metallurgical Corporation of China Ltd. (a company listed on both the Shanghai Stock Exchange and the Stock Exchange; stock code: 601618, 01618), China Huaneng Group Co., Ltd., Great Wall Securities Co., Ltd (a company listed on the Shenzhen Stock Exchange; stock code: 2939) and Yintai Securities Co., Ltd., and has extensive experience in auditing annual report, significant assets restructuration and special audit on state-owned enterprises and listed companies. Mr. Cai performed internal audits according to corporate internal control standards of Datang International Power Generation Co., Ltd. (a company listed on both the Shanghai Stock Exchange and the Stock Exchange; stock code: 601991, 991) and Angang Steel Company Limited (a company listed on both the Shenzhen Stock Exchange and the Stock Exchange; stock code: 898, 347), provided consultation services on the establishment of internal control system of Xinjiang Bayi Iron & Steel Group Co., Ltd. (a company listed on the Shanghai Stock Exchange; stock code: 600581) and has extensive experience in internal audit, evaluation and system construction consulting services.

Mr. Chin Hon Siang ("**Mr. Chin**"), aged 55, was appointed as an independent non-executive Director on 26 May 2021. He is also the chairman of each of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee. Mr. Chin holds a Bachelor of Commerce Degree from Monash University, Australia. He is a member of CPA Australia. He has over 21 years of experience in external auditing, merger and acquisition and corporate finance.

Mr. Chin had served various senior positions in certain public companies whose shares are listed on U.S. Stock Exchange, Taiwan Stock Exchange, Singapore Stock Exchange as well as the Hong Kong Stock Exchange as financial controller, chief finance manager and chief financial officer from 2002 to 2022.

Mr. Chin also served as independent non-executive director of various public companies whose shares are/were listed on Singapore Stock Exchange and Hong Kong Stock Exchange, from 2015 to 2021.

BIOGRAPHIES OF DIRECTORS

Mr. Chen Kwok Wang ("**Mr. Chen**"), aged 62, was appointed as an independent non-executive Director on 9 December 2021. He is also a member of the Audit Committee. Mr. Chen is currently a partner of Fairbairn Catley Low & Kong. He has been admitted as a solicitor of the High Court since 2005 and a member of the Hong Kong Institute of Certified Public Accountants since February 1990. Mr. Chen obtained a Master degree of Business Administration in December 1997 from the University of Hong Kong. He also obtained his Bachelor of Laws from the University of Wolverhampton in February 2002 and his Postgraduate Certificate in Laws from the University of Hong Kong in June 2003.

Mr. Chen had been an independent non-executive director of Wai Chi Holdings Company Limited (a company listed on the main board of the Stock Exchange; stock code: 1305) from 11 March 2014 to 31 October 2023 and an independent director of Fujian Start Group Co., Ltd (a company listed on the Shanghai Stock Exchange; stock code: 600734) from 20 May 2014 to 27 March 2022.

According to the Fujian Start Regulatory Announcement, CSRC concluded after investigation that Fujian Start failed to make accurate disclosure (i) in relation to the Fujian Start FY2018 Financial Statements, which contained inflated recorded revenue and costs of sales of one of its subsidiaries; and (ii) in relation to Fujian Start FY2019 Financial Statements, which contained inflated net profits and net assets of Fujian Start as a result of inaccurate impairment valuation assessment. CSRC considered that the relevant directors of Fujian Start, including Mr. Chen, who was then an independent director of Fujian Start, failed to exercise proper due diligence to ensure true, accurate and complete disclosure of the financial conditions of Fujian Start in the Fujian Start FY2018 Financial Statements and Fujian Start FY2019 Financial Statements and hence had breached the applicable securities laws in the PRC. According to the Fujian Start Regulatory Announcement, CSRC issued a warning against the relevant directors of Fujian Start, including Mr. Chen, and imposed penalty in the amount of RMB30,000 (as confirmed by the announcement of CSRC issued on 8 December 2022) against Mr. Chen.

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group recorded the revenue of approximately RMB408,585,000 (2023: RMB60,646,000), of which revenue mainly comprised (i) software maintenance and other services amounted to approximately RMB36,777,000 (2023: RMB36,251,000); and (ii) sale of software license, hardware products and other products amounted to approximately RMB371,808,000 (2023: RMB24,395,000). The increase in overall revenue for the software and hardware business rose 579% year on year to RMB407,756,000, which was mainly attributable to the continuous development of the Group's existing business, and the increase in sales of server products and computing power server products, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services.

Gross Profit

For the year ended 31 December 2024, the Group recorded a gross profit of approximately RMB46,014,000 (2023: RMB26,045,000). For the alignment with the revenue growth, cost of sales increased significantly by 948% to approximately RMB362,571,000 (2023: RMB34,601,000) as compared to 2023. The gross profit ratio for the software and hardware business of the Group during the period was approximately 11% while that of 2023 was approximately 43%. The decrease in gross profit ratio was mainly due to the increase in proportion for sales of server hardware products and computing power server products which have lower overall gross profit margin.

Distribution Expenses

For the year ended 31 December 2024, distribution expenses were approximately RMB21,921,000 (2023: RMB15,918,000). The increase in distribution expenses was mainly due to the increase in staff costs and selling expenses of the software and hardware business in the PRC during the year.

General and Administrative Expenses

For the year ended 31 December 2024, general and administrative expenses were approximately RMB41,868,000 (2023: RMB22,573,000). The increase in general and administrative expenses was mainly attributable to the increase in staff costs, professional fee, travelling expenses, office expenses and transactions cost on trading of listed equity securities.

Finance Costs

For the year ended 31 December 2024, finance costs were approximately RMB9,186,000 (2023: RMB918,000). The increase in finance costs was due to the increase in interest expenses on interest-bearing borrowings during the year.

Change in Fair Value and Gain on Disposal of Financial Assets at Fair Value Through Profit or Loss

The Group invested in various financial instruments for short-term investments, including the equity securities listed in Hong Kong and the United States. During the year ended 31 December 2024, fair value gain on financial assets at fair value through profit or loss of approximately RMB4,991,000 (2023: RMB330,000) was recognised in profit or loss, and recorded net gain on disposal of financial assets at fair value through profit or loss of approximately RMB99,138,000 (2023: RMB23,854,000).

Income Tax

Income tax expense of the Group for the year ended 31 December 2024 amounted to approximately RMB1,727,000 (2023: income tax credit of RMB397,000). The income tax expense is based on the respective corporate income tax applicable to the subsidiaries located in the PRC. The income tax credit is the reversal of over-provision of income tax in the PRC in respect of prior years recognised in the year ended 31 December 2023.

Profit for the Year

As a result, the Group recorded a profit for the year ended 31 December 2024 of approximately RMB73,561,000 (2023: RMB3,801,000).

Liquidity and Financial Resources

The Group's working capital is funded by the cash generated from operating and financing activities. As at 31 December 2024, the Group maintained cash and cash equivalents amounted to approximately RMB160,575,000 (2023: RMB177,805,000). As at 31 December 2024, the Group's current ratio was approximately 3.75 times (2023: 7.69 times); and the Group's net gearing ratio, which is calculated based on total borrowings less cash and cash equivalents divided by total equity, at 31 December 2024 and 31 December 2023 are not applicable, since the Group had cash in excess of interest-bearing borrowings.

As at 31 December 2024, the Group's borrowings from banks, a former fellow subsidiary and a third-party amounted to approximately RMB32,252,000 (2023: RMB19,816,000) with fixed interest rate ranging from 2.7% to 10% per annum (2023: 3.6% to 10% per annum), amongst which RMB24,698,000 were repayable within one year. Approximately RMB20,000,000 (2023: RMB8,000,000) of the loan amount was denominated in RMB and the remaining amount of approximately RMB12,252,000 were denominated in HK$ (2023: RMB11,816,000).

Foreign Exchange Risk

The Group's revenue is mainly denominated in Renminbi and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the Directors consider the Group's exposure to foreign currency risk is not significant and no related hedge is required for the time being.

Pledge of Assets

As at 31 December 2024 and 2023, the Group had no pledge of assets in order to obtain general banking facilities or short-term bank borrowings.

Capital Structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders of the Company (the "Shareholders") through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including interest-bearing borrowings, and equity attributable to equity shareholders of the Company, comprising issued share capital, share premium, accumulated losses and other reserves. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year. As at 31 December 2024, the cash and cash equivalents of the Group are mainly held in United States dollars, Renminbi and Hong Kong dollars.

Fund Raising Activities and Use of Proceeds

Placing of New Shares

On 30 April 2024, the Company entered into a placing agreement (the "Placing Agreement") with Zhongtai International Securities Limited (the "Placing Agent"), pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties of the Company to subscribe for up to 40,810,000 placing shares with par value of HK$0.1 each (the "Placing Share(s)") at the placing price of HK$1.80 per Placing Share (the "Placing"). The maximum Placing Shares represent approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of all Placing Shares. The Placing Shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 23 June 2023.

On 21 May 2024, the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement, pursuant to which, among other matters, the completion date of the Placing was extended and the placing price was adjusted to HK$2.09 per Placing Share.

On 13 June 2024, 40,810,000 Placing Shares were successfully issued at placing price of HK$2.09 per Placing Share with aggregate nominal value of HK$4,081,000. The placing price of HK$2.09 per Placing Share represents (i) a discount of approximately 5.43% to the closing price of HK$2.21 per share of the Company as quoted on the Stock Exchange on 30 April 2024; and (ii) a discount of approximately 12.9% to the closing price of HK$2.40 per share of the Company as quoted on the Stock Exchange on 21 May 2024. The gross proceeds from the Placing amounted to approximately HK$85.293 million and the net proceeds amounted to approximately HK$84.347 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK$2.07 per Placing Share.

The Company intended to apply (i) 70% of the net proceeds from the Placing of approximately HK$59.042 million for investment in new business when opportunity arise, including, but not limited to, investment in artificial intelligence data center comprising its construction, equipment and operation etc., and/or development and operation of smart city construction; and (ii) 30% of the net proceeds from the Placing of approximately HK$25.305 million as general working capital for the Group including staff cost, professional fees, rental payments and other general administrative and operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024, the net proceeds from the Placing was utilised as intended as to approximately RMB16,090,000 (equivalent to HK$17,356,000) for general working capital of the Group, among which approximately RMB1,449,000 (equivalent to HK$1,563,000) is for professional fee, approximately RMB1,137,000 (equivalent to HK$1,226,000) is for rental expenses, approximately RMB10,986,000 (equivalent to HK$11,851,000) is for staff costs and the remaining RMB2,518,000 (equivalent to HK$2,716,000) is for general administrative expenses.

The remaining unutilised net proceeds from the Placing of approximately RMB62,103,000 (equivalent to HK$66,991,000) will be used according to the intended usage in which (i) approximately RMB54,734,000 (equivalent to HK$59,042,000) for the investment in artificial intelligence data center; and (ii) approximately RMB7,369,000 (equivalent to HK$7,949,000) for the general working capital such as overhead expenses including salary, rental and other expenses of the Group, which are expected to be utilized on or before 31 December 2025.

Details of the Placing, including the reason for the Placing, were set out in the Company's announcements dated 30 April 2024, 21 May 2024, 22 May 2024 and 13 June 2024.

Rights Issue

On 29 November 2022, the Company announced the proposed rights issue, by issuing up to 124,896,729 ordinary shares with par value of HK$0.1 each in the share capital of the Company (the "Right Shares") on the basis of three (3) Rights Shares for every two (2) existing shares of the Company held on the record date (i.e. 10 February 2023) at the subscription price of HK$0.85 per Rights Share (the "Rights Issue").

On 10 January 2023 and 3 February 2023, the Company and VC Brokerage Limited, the underwriter of the Rights Issue, entered into the supplemental underwriting agreement and second supplemental agreement to the underwriting agreement dated 29 November 2022, pursuant to which, the record date has been extended to 3 March 2023 and further extended to 24 March 2023.

On 25 April 2023, an aggregate of 122,446,911 Rights Shares with nominal value of HK$12,244,691.10 was issued. The subscription price of HK$0.85 per Rights Share represents a discount of approximately 39.72% to the closing price of HK$1.410 per share of the Company as quoted on the Stock Exchange on 29 November 2022. The gross proceeds from the Rights Issue was approximately HK$104.08 million and the net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, was approximately HK$102.653 million (equivalent to a net subscription price of approximately HK$0.84 per Rights Share). For the details of the Rights Issue, including the reasons for and benefits of the Rights Issue, please refer to the Company's prospectus dated 24 March 2023.

The Company originally intended to apply (i) 96% of the net proceeds from the Rights Issue of approximately HK$98.553 million for the general working capital of the Group in industrial parks (the "Industrial Park Software Project"); and (ii) 4% of the net proceeds of approximately HK$4.10 million from the Rights Issue will be used for the general working capital such as overhead expenses including salary, rental and other expenses of the Company.

As at 20 December 2023, the Company utilised approximately HK$0.308 million of the net proceeds from the Rights Issue on the general working capital of the Group in the Industrial Park Software Project; and HK$4.100 million the net proceeds from the Rights Issue on the general working capital of the Group. Having considered the needs of working capital of the Group, as well as the prevailing market conditions, on 20 December 2023, the Board resolved to change the use of the unutilised net proceeds from the Rights Issue of approximately HK$98.245 million to: (a) HK$68.245 million for the general working of the Group in Industrial Park Software Project, and (b) HK$30.0 million for the general working capital of the Group such as overhead expenses including salary, rental and other expenses, details of which are set forth as follows:

Use of Proceeds	**Initial allocation** *HK$ million*	**Utilised net proceeds before reallocation** *HK$ million*	**Unutilised net proceeds for reallocation** *HK$ million*	**Revised allocation of the unutilised net proceeds** *HK$ million*
General working capital of the Group in the Industrial Park Software Project	98.553	0.308	98.245	68.245
General working capital of the Group	4.100	4.100	–	30.000
Total:	102.653	4.408	98.245	98.245

As at 31 December 2024, the net proceeds from the Rights Issue was utilised as intended as to (i) approximately RMB44,864,000 (equivalent to HK$50,802,000) for the general working capital of the Group in the Industrial Park Software Project, among which approximately RMB29,458,000 (equivalent to HK$33,358,000) in the hardware facilities, network facilities, database facilities and application facilities; approximately RMB4,990,000 (equivalent to HK$5,650,000) in the staff cost; approximately RMB4,639,000 (equivalent to HK$5,253,000) in the sale and marketing; and approximately RMB5,777,000 (equivalent to HK$6,541,000) in management and other operating expenses including the management fee such as rent and utilities, tax, equipment testing and evaluation and other miscellaneous expenses for the use of the Group; and (ii) approximately RMB30,126,000 (equivalent to HK$34,100,000) for general working capital of the Group, among which approximately RMB4,398,000 (equivalent to HK$5,029,000) is for professional fee, approximately RMB2,429,000 (equivalent to HK$2,754,000) is for rental expenses, approximately RMB18,725,000 (equivalent to HK$21,141,000) is for staff costs and the remaining RMB4,574,000 (equivalent to HK$5,176,000) is for general administrative expenses.

The remaining unutilised net proceeds from the Rights Issue of approximately RMB15,663,000 (equivalent to HK$17,751,000) will be used according to the intended usage for the general working capital of the Group in the Industrial Park Software Project, which are expected to be utilized on or before 30 June 2025.

Details of the Rights Issue and details of the utilization of its proceeds were set out in the Company's announcements dated 29 November 2022, 9 December 2022, 10 January 2023, 3 February 2023, 14 March 2023, 24 April 2023, 20 December 2023 and 20 February 2024, the circular of the Company dated 24 February 2023 and the prospectus of the Company dated 27 March 2023.

Significant Investment

The Group has not made any significant investment as at 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisition and Disposal of Subsidiaries or Associates or Future Plans for Material Investments and Capital Assets

In December 2024, Beijing Orient LegendMaker Software Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, invested 15% equity interests in 北京龍騰海達科技發展有限公司 ("**北京龍騰**"). The principal activity of 北京龍騰 is provision of integrated business software solutions. The Group has invested in 北京龍騰 to expand market penetration in PRC's enterprise sector, leveraging its expertise in cloud-based platforms and AI-driven tools to enhance operational efficiency for their customers. The Directors considered the Group can exercise significant influence over 北京龍騰 through voting rights and therefore treated as an associate and applied equity method to account for the investment.

Save as disclosed above and those disclosed in the section headed "Material Acquisition and Disposal of Listed Securities" below, the Group did not make any material acquisition or disposal of subsidiaries, associates or joint ventures for the year ended 31 December 2024, nor the Group did not have plans for material investments and capital assets as at 31 December 2024.

Subscription of the SPC

On 20 November 2024, Smart Billion Enterprises Corporation, a direct wholly-owned subsidiary of the Company, submitted the subscription application to Harmonia GenAI Ecosystem SPC (the "SPC"), a subsidiary of the Company, for two segregated portfolios at a subscription amount of US$1 million and US$4 million respectively (the "Subscription"). As a segregated portfolio company, the SPC invests in AI and intelligent computing business.

The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this annual report, the Subscription had not yet completed and no subscription monies had been paid. Due to the market changes and project delay, the Group is considering not to proceed further.

For details, please refer to the Company's announcements dated 30 August 2024 and 20 November 2024.

Material Acquisition and Disposal of Listed Securities

During the period from 1 June 2023 to 4 March 2025, the Group acquired and disposed several listed securities which are listed on NASDAQ or New York Stock Exchange.

These acquisitions and/or disposals of listed securities constituted various discloseable transactions, major transactions or very substantial disposal of the Company under Chapter 14 of the Listing Rules.

The Company proposes to put forward ordinary resolutions at an extraordinary general meeting to be convened and held (the "EGM") for the Shareholders to consider and, if thought fit, approve the ratification of the acquisitions and disposals of listed securities.

In addition, the Company wishes to seek for (i) a specific mandate to authorize and empower the Board to carry out acquisition(s) of listed securities in specific investment targets during the year of 2025, (ii) a specific mandate to authorize and empower the Board to carry out disposal(s) of the listed securities in specific investment targets during the year of 2025; and (iii) a specific mandate to authorize and empower the Board to carry out acquisition(s) of cryptocurrency for a period of 12 months from the date on which the relevant ordinary resolutions are duly passed by the Shareholders at the EGM.

For details, please refer to the Company's announcements dated 10 January 2024, 12 January 2024, 24 January 2024, 7 February 2024, 14 February 2024, 28 January 2025, 7 February 2025, 25 February 2025, 6 March 2025 and 13 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Events after the Reporting Period

Other than the acquisitions and disposals of listed securities and proposal for seeking specific mandates from Shareholders as disclosed above, there was no other material events after the reporting period.

Employees and Remuneration Policies

As at 31 December 2024, the Group employed 130 (2023: 128) full time employees. The staff costs amounted to approximately RMB32,302,000 for the year ended 31 December 2024 (2023: RMB25,182,000). The remuneration package of employees is determined by reference to their performance, experience, positions, duties and responsibilities in the Group and the prevailing market conditions. The Group continued to provide retirement, medical, employment injury, employment and maternity benefits which are governed by the state-managed social welfare scheme operated by the local government of the PRC to the employees in the PRC. In addition, the Group maintains a mandatory provident fund scheme for all qualifying employees in Hong Kong. The Company had also adopted a share option scheme. The Group believes that development and training are crucial for employees to discharge their duties more effectively and efficiently, and the Group organizes regular training and development courses for its employees.

Contingent Liabilities

As at 31 December 2024, the Group had no significant contingent liability (2023: Nil).

Final Dividend

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

BUSINESS REVIEW

The Group recorded a revenue of approximately RMB408,585,000 for the year ended 31 December 2024 (2023: RMB60,646,000), representing an increase of approximately 574%. During the year of 2024, the software and hardware business was benefited from the all-round improvement in management to significant growth of in the year of 2024 compared to the year of 2023. The significant increase in overall revenue for the software and hardware business was mainly attributable to the continuous development of the Group's existing business, and it entered into and completed new contracts which involved integrated IT solutions, edge computing, intelligent computing and other data services.

For the year ended 31 December 2024, the Group recorded consolidated net profit attributable to equity shareholders of the Company of approximately RMB72,737,000 as compared to approximately RMB5,550,000 for the year ended 31 December 2023. The Group's increase in profit for the year ended 31 December 2024 was mainly driven by the increase in revenue of its software and hardware business and increase in net gain on disposal of financial assets at fair value through profit or loss.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND FUTURE BUSINESS STRATEGIES

The Company will continue to steadily expand its existing business while capitalizing on its longstanding customer resources and product and service advantages to strengthen its foundations. In addition, we will proactively position ourselves for the development of new-quality productive forces catalyzed by a combination of factors such as cutting-edge scientific and technological breakthroughs, innovative allocation of factors of production and industrial transformation and upgrading, particularly in the digital economy sector centered on core elements like data, AI computing and edge computing, networks and applications. We are leading with innovation and steadily advancing, with our business layout and development starting to bear fruit through phased achievements. Going forward, we are committed to establishing ourselves as a service provider that concentrates on the digital economy sector, with a focus on data elements, data asset operations, AI computing and edge computing, to provide customers with integrated digital technology solutions.

Regarding the implementation roadmap, the Company will adopt a business-oriented approach to open up and establish a "three chains and one circle" model: focusing on the overall synergy of the innovation chain, industrial chain and financial chain. Through an organic combination of four aspects, namely business model innovation, data elements assetization, capitalization of investments and incubation results and industrial layout ecologicalization, we will continuously reinforce an innovation-driven, open and win-win digital economy ecosystem. Meanwhile, the Company will combine its technological and capital advantages in a dual-chain approach to empower various sections across the industrial ecosystem through means such as industrial incubation and investments.

To actively embrace the opportunities of the digital transformation era, the Company will continue to optimize and consolidate its first-mover advantages in the fields of data elements, data asset operations, AI computing and edge computing in the future. We will fully unleash the agglomeration effect of the industrial chain, dedicating long-term efforts to industrial chain integration and industrial ecosystem development. Leveraging the technological potential of big data, big models and high-performance computing, we will facilitate the integration of digital and real economy, continuously driving business innovation and upgrades to create value for our shareholders.

FIVE-YEAR SUMMARY AND KEY FINANCIAL RATIOS

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**408,585**	60,646	47,909	40,825	70,839
Cost of sales	**(362,571)**	(34,601)	(27,093)	(24,313)	(53,261)
Gross profit	**46,014**	26,045	20,816	16,512	17,578
Profit/(loss) for the year	**73,561**	3,801	(25,014)	(30,734)	(25,322)
Profit/(loss) attributable to non-controlling interests	**824**	(1,749)	(2,746)	(6,914)	(8,489)
Profit/(loss) for the year attributable to equity shareholders of the Company	**72,737**	5,550	(22,268)	(23,820)	(16,833)

FIVE-YEAR SUMMARY AND KEY FINANCIAL RATIOS

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	At 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	**43,973**	12,483	6,164	3,362	5,179
Current assets	**516,109**	290,281	196,814	208,214	185,346
Current liabilities	**(137,647)**	(37,748)	(34,697)	(30,736)	(31,653)
Net current assets	**378,462**	252,533	162,117	177,478	153,693
Total assets less current liabilities	**422,435**	265,016	168,281	180,840	158,872
Non-current liability	**(1,310)**	(875)	(1,167)	–	(771)
Net assets	**421,125**	264,141	167,114	180,840	158,101
Total equity attributable to equity shareholders of the Company	**369,024**	212,888	113,549	124,581	94,914
Non-controlling interests	**52,101**	51,253	53,565	56,259	63,187
Total equity	**421,125**	264,141	167,114	180,840	158,101

	At 31 December				
	2024	2023	2022	2021	2020
Profitability ratios					
Return on shareholder's equity* *(Note 1)*	**21.47%**	1.76%	(14.38%)	(18.14%)	(16.91%)
Return on assets* *(Note 2)*	**17.05%**	1.50%	(12.07%)	(15.29%)	(13.38%)
Liquidity ratios					
Current ratio *(Note 3)*	**374.95%**	769.00%	567.24%	677.43%	585.56%
Receivables turnover days* *(Note 4)*	**12.87**	110.68	190.59	187.78	107.52
Inventory turnover days* *(Note 5)*	**18.81**	N/A	N/A	7.03	6.42
Payables turnover days* *(Note 6)*	**13.64**	54.62	89.42	59.48	72.93
Capital adequacy ratios					
Net gearing ratio *(Note 7)*	**N/A**	N/A	N/A	N/A	N/A

(Note 1) Profit/(loss) for the year divided by average total equity and multiplied by 100%.

(Note 2) Profit/(loss) for the year divided by average total assets and multiplied by 100%.

(Note 3) Current assets divided by current liabilities and multiplied by 100%.

(Note 4) Balance of average trade receivables and bills divided by revenue of the year and multiplied by 365 days.

(Note 5) Average inventory balance divided by cost of sales of the year and multiplied by 365 days.

(Note 6) Balance of average trade payables and bills divided by cost of sales of the year and multiplied by 365 days.

(Note 7) Balance of total borrowings less cash, time deposits and pledged deposits divided by total equity and multiplied by 100%.

* Included revenue, cost of sales and loss for the year from both continuing and discontinued operations

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code ("CG Code") in Appendix C1 to the Listing Rules as its own code of corporate governance. During the year ended 31 December 2024, the Company was in compliance with all the relevant code provisions set out in the CG Code except for the deviation from code provision C.2.1, which is explained below.

Under CG Code provision C.2.1, the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company has not appointed a chairman. The roles and functions of chairman have been performed by the Board jointly.

Save as those mentioned above and in the opinion of the Directors, the Company has met all the relevant code provisions set out in the CG Code during the year ended 31 December 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

The Board currently consists of five Directors including two executive Directors and three independent non-executive Directors:

Executive Directors

Mr. Yu Hui *(Chief Executive Officer)*
Ms. Li Zhuoyang

Independent Non-Executive Directors

Mr. Cai Jinliang
Mr. Chin Hon Siang
Mr. Chen Kwok Wang

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership. The biographical information of the Directors is set out on pages 4 to 6 under the section headed "Biographies of Directors".

Directors' Training

According to the code provision C.1.4 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors had participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2024 to the Company.

The individual training record of each Director received for the year ended 31 December 2024 is set out below:

Name of Directors	**Attending or participating in seminars/in-house briefing or reading materials relevant to the Group's business/ director's duties**
Executive Directors	
Mr. Yu Hui	✓
Ms. Li Zhuoyang	✓
Independent Non-executive Directors	
Mr. Cai Jinliang	✓
Mr. Chin Hon Siang	✓
Mr. Chen Kwok Wang	✓

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code requires that the roles between the chairman and the chief executive officer should be segregated. Mr. Yu Hui has been appointed as the chief executive officer of the Company on 26 October 2023 and Mr. Liang Liang served as the co-chief executive officer of the Company during 16 July 2024 to 24 January 2025. The Company has not appointed a chairman and the roles and functions of chairman have been performed by the Board jointly.

The Company is in the process of identifying suitable candidates to assume the role as chairman of the Company and further announcement in this regard will be made as and when appropriate.

Non-executive Directors

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of legal, accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director has provided his confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them is independent.

The Company has renewed the appointment letter with Mr. Cai Jinliang, an independent non-executive Director, for a term of three years with retrospective effect from 24 August 2023.

The Company has also renewed the appointment letter with Mr. Chin Hon Siang, an independent non-executive Director, for a term of three years commencing from 26 May 2024.

Mr. Chen Kwok Wang, an independent non-executive Director, signed an appointment letter issued by the Company for an initial term of three years commencing from 9 December 2021. The term of appointment continues without entering into a renewed appointment letter.

Each of the above independent non-executive Director is subject to retirement by rotation at least once in every three years in accordance with the articles of association of the Company (the “Articles”).

Board Diversity Policy

The Board has adopted a Board Diversity Policy on 27 August 2013 (the “Policy”) which sets out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee will discuss and review the necessity to set the measurable objectives for implementing the Policy from time to time.

The Nomination Committee will review the implementation and effectiveness of the Policy annually.

BOARD LEVEL

Pursuant to the Policy, selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board consists of four male members and one female member. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives. The Company has also reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation.

The Company, through its commitment to providing equal opportunities as well as selecting the right candidates based on objective criteria with due regard for the benefits of diversity, will ensure that gender diversity is emphasised and maintained at the Board level in respect of succession planning in order to make available a diverse pipeline of candidates for appointment to the Board in case of any vacancies.

WORKFORCE LEVEL

The Group is also committed to achieving gender diversity across the workforce (including senior management). The details of gender ratio in the workforce (including senior management) are shown in the section headed "Environmental, Social and Governance Report" of this annual report. The recruitment policy of the Group is to only consider the personal merits and capabilities, qualifications, working experiences and performance of the individuals during the recruitment process, transferal, promotion, and training regardless of gender. In the interests of enhancing efficiency, the Company has not set any measurable objective for achieving gender diversity at workforce level. The Company has nonetheless always adopted a meritocratic approach and adhered to the principle of openness and fairness without any discrimination in respect of gender, disability, marital status, pregnancy, religion, nationality, social or economic class, rural or urban, political opinion, pathogen-carrier or sexuality.

Board Meetings

The Board has four scheduled meetings a year at approximately quarterly interval and additional meetings will be held as and when required. The four scheduled Board meetings for a year are planned in advance. During the regular meetings of the Board, the Board reviewed the operation and financial performance and reviewed and approved the annual and interim results. During the year ended 31 December 2024, the Board held five meetings. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance. The relevant Directors' attendance is shown on page 25.

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

The Board adopted a mechanism for Directors to obtain independent opinions and perspectives for them to discharge their duties and responsibilities, and to ensure independent views and input are available to the Board.

The Company shall arrange suitable and sufficient resources to cover any matters relating to the obtaining of an independent opinion by the Board, including but not limited to the engagement of a legal team or any other professionals for such purpose (where appropriate).

The Directors shall give at least three working days' notice to the Company Secretary to obtain an independent opinion, including but not limited to engaging a professional team for such purpose (where appropriate).

The Board has reviewed the implementation and effectiveness of the said mechanism during the year and considered that it has been operating effectively and will continue to monitor its implementation and effectiveness on an annual basis.

The Board is required to review its structure, size, composition (including skills, knowledge and experience) and the policy at least annually to ensure that the composition of the Board complies with the relevant requirements of the Listing Rules including maintaining a balanced mix of executive and non-executive directors (including independent non-executive directors) so that the Board has a strong element of independence which can effectively exercise independent judgment.

If all the independent non-executive Directors have served on the Board for more than nine years, the Company should consider to appoint a new independent non-executive director at the next annual general meeting.

General Meetings

During the year ended 31 December 2024, two general meetings of the Company were held, being the extraordinary general meeting held on 25 July 2024 and 2024 annual general meeting held on 28 June 2024 (the "2024 AGM"). The relevant Director's attendance is shown on page 25.

The Board is responsible for maintaining an on-going dialogue with Shareholders and in particular, uses annual general meeting or other general meetings to communicate with them and encourage their participation.

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is responsible for reporting to the Board on the matters in the CG Code, while Board is also responsible for performing the corporate governance duties as set out below:

(a) to develop and review the Company's policies and practices on corporate governance;

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

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

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and

(e) to review the Company's compliance with the CG Code by reference to the recommendation of the Audit Committee and to review the disclosure in the Corporate Governance Report.

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. The Company established the Nomination Committee with written terms of reference on 18 December 2006 and currently consists of two independent non-executive Directors, namely Mr. Chin Hon Siang (chairman) and Mr. Cai Jinliang, and one executive Director, namely Ms. Li Zhuoyang.

The latest terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Nomination Committee are aligned with the code provisions set out in the CG Code.

The functions of the Nomination Committee are to review and monitor the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and made recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify qualified individuals to become members of the Board; to assess the independence of the independent non-executive Directors; to review the Policy, and review the measurable objectives that the Board has set for implementing the Policy, the progress on achieving the objectives; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

a. participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;

b. taking the lead where potential conflicts of interests arise;

c. serving on the Audit Committee, the Remuneration Committee and the Nomination Committee (in the case of candidate for non-executive director) and other relevant Board committees, if invited;

d. bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;

e. scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;

f. ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and

g. conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

During the year ended 31 December 2024, the Nomination Committee held one meeting for assessing the independence of the independent non-executive Directors; considering the re-election of Directors and reviewing the composition of the Board. The relevant Directors' attendance is shown on page 25. The Nomination Committee also made recommendation of new Director candidate for the Board's approval by way of written resolutions.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference on 18 December 2006 and currently consists of two independent non-executive Directors, namely Mr. Chin Hon Siang (chairman) and Mr. Cai Jinliang, and one executive Director, namely Ms. Li Zhuoyang.

The latest terms of reference of the Remuneration Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Remuneration Committee are aligned with the code provisions set out in the CG Code.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy as well as review and/or approve matters relating to shares schemes under Chapter 17 of the Listing Rules. The Remuneration Committee has adopted the approach under code provision E.1.2(c)(ii) of the CG Code to make recommendations to the Board on remuneration packages of the Directors and the members of senior management.

During the year ended 31 December 2024, the Remuneration Committee held one meeting for reviewing the remuneration of Directors and senior management. The relevant Directors' attendance is shown on page 25. The Remuneration Committee also made recommendation of the remuneration of the proposed Director for the Board's approval by way of written resolutions.

The emoluments payable to Directors and senior management depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the then prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in note 7 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference on 18 December 2006 and currently consists of three independent non-executive Directors, namely Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

The latest terms of reference of the Audit Committee is currently made available on the websites of the Stock Exchange and the Company. Terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and consolidated financial statements of the Group; overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and reviewing the risk management and internal control systems.

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

During the year ended 31 December 2024, the Audit Committee held three meetings. Each committee meeting has been supplied with necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted. The relevant Directors' attendance is shown on page 25.

During the year ended 31 December 2024, the Audit Committee reviewed the interim results of the Group for the six months ended 30 June 2024 and the annual results of the Group for the year ended 31 December 2023, which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the Listing Rules. The Audit Committee also considered the resignation of BOFA CPA Limited ("BOFA") as auditor of the Company and the appointment of HLB Hodgson Impey Cheng Limited ("HLBHIC") as auditors of the Company to fill the casual vacancy following the resignation of BOFA during the year.

The Audit Committee noted the existing internal control system of the Group and also noted that review of the same will be carried out on an annual basis.

The accounts of the Group for the year ended 31 December 2024 were audited by HLBHIC whose term of office will expire upon the conclusion of the 2025 annual general meeting of the Company to be held on 20 June 2025 ("2025 AGM"). The Audit Committee has reviewed the terms of engagement of HLBHIC by taking into account, inter alias, (i) the size and structure as well as the nature and complexity of the business of the Group, (ii) the relevant audit fees and (iii) the resources deployed by HLBHIC in respect of the audit of the financial statements of the Group in accordance with "Guidelines for the Effective Operation of Audit Committees – Selection, Appointment and Reappointment of Auditors" published by the Financial Reporting Council on 16 December 2021 and recommended to the Board the re-appointment of HLBHIC as the auditor of the Company at the 2025 AGM.

MEETINGS ATTENDANCE RECORD

The following table summarises the attendance of the Directors and committee members in the respective Board, Board committees and general meetings held during the year ended 31 December 2024.

	Meetings attended/held in 2024				
	Board	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**General Meetings**
Number of meetings held during the year	5	3	1	1	2
Executive Directors					
Mr. Yu Hui	4/5	N/A	N/A	N/A	2/2
Ms. Li Zhuoyang	5/5	N/A	1/1	1/1	2/2
Mr. Liu Yang *(resigned with effect from 27 June 2024) (Note 1)*	2/2	N/A	N/A	N/A	N/A
Mr. Liang Liang *(appointed on 16 July 2024 and resigned with effect from 24 January 2025) (Note 2)*	2/2	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Mr. Cai Jinliang	5/5	3/3	1/1	1/1	2/2
Mr. Chin Hon Siang	5/5	3/3	1/1	1/1	2/2
Mr. Chen Kwok Wang	4/5	3/3	N/A	N/A	2/2

Notes:

1. Mr. Liu Yang resigned as an executive Director with effect from 27 June 2024, 2 board meetings and no general meeting were held before his resignation.

2. Mr. Liang Liang had been appointed as an executive Director on 16 July 2024 and resigned with effect from 24 January 2025, 2 board meetings and 1 general meeting were held during his tenure of office.

AUDITORS' REMUNERATION

During the year ended 31 December 2024, the fee paid/payable to the Company's external auditor, HLB Hodgson Impey Cheng Limited, for providing audit services and non-audit services were approximately RMB737,000 and RMB230,000 respectively. Fees for non-audit services consist of review of disclosure of financial information in 2024 interim report.

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Yuen Ying Stella ("Ms. Chan"), the representative of Uni-1, was appointed as the named Company Secretary of the Company.

Ms. Li Zhuoyang, the executive Director, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan has taken not less than 15 hours of relevant professional training during the financial year ended 31 December 2024.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and the Companies Act (2013 Revision) of the Cayman Islands. The procedures shareholders can use to convene an extraordinary general meeting are set out in the Articles, which is currently available on the website of the Stock Exchange and the Company.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

Shareholders should follow the procedures set out in the sub-section headed "Shareholders to convene an extraordinary general meeting" above for putting forward proposals for discussion at general meeting.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of the 2025 AGM will be voted by poll.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders.

The Board adopted a Shareholders communication policy on 16 March 2012 (the "Shareholders Communication Policy") which sets out the provisions with the objective of ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance), in order to enable shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

CORPORATE GOVERNANCE REPORT

General Policy

The Board shall maintain an on-going dialogue with shareholders and the investment community, and will regularly review the Shareholders Communication Policy to ensure its effectiveness.

According to the Shareholders Communication Policy, there are multiple channels for information of the Company to be disseminated to Shareholders, which are included in the following manners:

- Delivery of annual and interim results and reports to all Shareholders;

- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements, shareholders' circulars, corporate communications and other corporate publications in accordance with the continuing disclosure obligations under the Listing Rules on the Company's website and the website of the Stock Exchange; and

- The general meeting of the Company is also an effective communication channel between the Board and Shareholders.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times.

All Directors attended the extraordinary general meeting of the Company held on 25 July 2024 and the 2024 AGM to answer questions of the meeting and collect views of Shareholders.

Communication Strategies

Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make enquiry in respect of the Company.

Corporate Communication

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding.

Corporate Website

A dedicated Investors Relationship section is available on the Company's website. Information on the Company's website will be updated on a regular basis.

Information released by the Company to the Stock Exchange will also be posted on the Company's website according to the requirements under the Listing Rules. Such information includes announcements of all types, financial statements, results announcements, circulars and notices of general meetings etc..

Shareholders' Meetings

Shareholders are encouraged to participate in all general meetings or to appoint proxies to attend and vote for and on their behalf if they are unable to attend any general meetings. Appropriate arrangements for the general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, the chairman of the Board, the chairmen of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer Shareholders' enquiries.

Shareholder Privacy

The Company recognises the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

The Board has conducted a review of the Shareholders Communication Policy for the year ended 31 December 2024 to ensure the effectiveness of the Shareholders Communication Policy. Such review shall be conducted annually. The Board considered that the Shareholders Communication Policy for the year ended 31 December 2024 was effective.

DIVIDEND POLICY

The Board adopted the Dividend Policy on 27 March 2020.

The amount of any dividends that the Company may declare and pay in the future will be subject to the discretion of the Board and will be based upon the Group's overall results of operation, financial condition, working capital requirements, capital expenditure requirements, liquidity position, future expansion plans, amount of retained earnings, distributable reserves and any other conditions that the Directors consider relevant. Any declaration and payment of dividends may also be limited by restrictions under the Companies Act of the Cayman Islands, the Company's constitutional documents, the Listing Rules and any other applicable laws and regulations. The amounts of dividend distributions that the Group has declared and made in the past are not indicative of the dividends that the Company may pay in the future.

The Directors may recommend a payment of dividends after taking into account the general economic conditions, business cycle of the Group's business and any other internal and external factors that may affect the business and financial performance and position of the Group in addition to the above mentioned criteria. Any future declaration of dividends may or may not reflect the historical declarations of dividends and will be at the absolute discretion of the Directors.

The Board will review the Dividend Policy on a regular basis and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy from time to time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the financial position of the Group and the Company and of its financial performance and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 December 2024, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for ensuring an effective system of risk management and internal control be maintained and for reviewing its effectiveness to safeguard the Company's assets and the Shareholders' interests.

The Audit Committee has been established under the Board, which is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

The purpose of the Company's risk management process is to identify and manage risks in such a way that the Company is able to meet its strategic and financial targets. The Group formulated risk management procedures by taking into account adequately the five elements of the risk management framework: internal environmental control, risk management, control activities, information and communication and monitoring and improvement.

The Group aims to develop risk awareness and control responsibility as the Company's culture and the foundation of Company's internal control system. The internal control system applies to the Group's critical business processes including strategy development, business planning, investment decisions, capital allocation and day-to-day operations.

At beginning of each year, the Group conducts a risk assessment on the existing or potential risks that may impact the achievement of business objectives over the course of business operation. The assessment includes potential likelihood and impact of the identified risks. For the risks identified, the management determines the action plans and management targets in the expected time of completion according to the risk assessment result. The management is also responsible for managing their respective day-to-day operating risks, implementing measures to mitigate such risks.

The internal control system is designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulted from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

During the year, an external consulting firm has been engaged by the Group to advise on and review risk management and internal control of the Group and provide recommendations on improvement to the Audit Committee. No significant deficiency and weakness on the internal control system has been identified for the year ended 31 December 2024 and the Company agrees with the recommendations provided by the consulting firm and therefore will adopt the practice in the coming year.

The Board considered that, for the year ended 31 December 2024, the risk management and internal control system and procedures of the Group, covering all material controls were reasonably effective and adequate.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") and the Listing Rules. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

(a) access of inside information is restricted to a limited number of employees on a need-to-know basis;

(b) transmission of inside information in electronic form should be password-protected;

(c) prohibit employees to discuss inside information in public area;

(d) code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage;

(e) trainings or briefings are provided to employees who will be in possession of inside information to ensure that they are fully conversant with their obligations to preserve confidentiality with reasonable care;

(f) confidentiality agreements are in place before the Group enters into significant negotiations; and

(g) officers and employees other than the designated representative are prohibited to speak externally on behalf of the Company when communicating with external parties such as the media, analysts or investors.

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 December 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Environmental, Social and Governance ("ESG") Report ("Report") of Enterprise Development Holdings Limited ("Company" and together with its subsidiaries, "Group") has made reference to the ESG Reporting Guide in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEx ESG Reporting Guide"), and compile the report content in accordance with the principles of materiality, quantitative, balance and consistency.

The scope of this report is based on the Group and its all business segments in Hong Kong, Beijing, Shanghai, Chengdu and Guangzhou of the People's Republic of China ("PRC"). There were no significant changes observed in the Group's operating locations, the suppliers' locations and supply chain structure in the financial year ended 31 December 2024 ("Year" or "Reporting Period").

REPORTING PERIOD AND SCOPE

The statistics, figures and information cited in this Report are referenced from the archived questionnaires, records and research of the Group. This Report highlights the Group's sustainability efforts in environmental and social aspects.

Reporting Period: 1 January 2024 to 31 December 2024, the financial period of the Group's Annual Report 2024.

Organisations covered: The Group and its subsidiaries.

The reporting boundaries are determined by whether the subsidiaries are contributing to the operating business of the Group. In 2024, all subsidiaries and business entities of the Group are included in the ESG Report.

REFERENCE GUIDELINES

HKEx ESG Reporting Guide

CONTACT

Should you have any enquiries or feedback on this Report, please feel free to contact the Group via the following methods:

Address	:	Room 1105, 11/F, Jubilee Centre, 18 Fenwick Street/46 Gloucester Road, Wanchai, Hong Kong
Tel	:	+852 3707 1901
Fax	:	+852 3611 6041
Official website	:	http://www.1808.com.hk/en

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EXECUTIVE DIRECTOR STATEMENT

I wish to formally acknowledge the exemplary performance and unwavering dedication of our colleagues throughout the past year. Their efforts have been instrumental in enabling the Group to attain distinguished results while advancing sustainable development for the benefit of both the Group and its stakeholders. Notwithstanding the limited scope of our environmental impact, we have implemented a comprehensive Environmental, Social, and Governance (ESG) management system, which has been fully integrated into the Group's governance framework, thereby enhancing oversight at the Board level. Furthermore, we have established a specialized team tasked with overseeing ESG-related matters across the Group. This team engages consistently with internal and external stakeholders to evaluate their perspectives on the Group's ESG strategy and is charged with escalating any ESG-related issues or potential risks to the Board for thorough consideration. Additionally, the team will submit an annual ESG performance report to the Board, facilitating the monitoring of progress towards the Group's ESG objectives and enabling the allocation of supplementary resources where deemed necessary.

As a corporation committed to upholding its social responsibilities, we recognize our obligation to provide employees with industry-leading standards, which, in turn, serve to enhance their productivity. The Group is resolute in its pursuit of further elevating its environmental performance to bolster overall business outcomes. Fully cognizant of the profound implications of climate change on society, we are steadfast in our commitment to contribute meaningfully by reducing our carbon footprint.

In closing, I extend my sincere appreciation to our employees for their exceptional contributions to the Group's success over the course of the past year.

Yu Hui
Executive Director and Chief Executive Officer

21 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CORE VALUES/MANAGEMENT PRINCIPLES

As a publicly traded software company, the Group recognizes its responsibility to serve society responsibly. The Group has begun integrating sustainable development into its business decision-making process. Internally, comprehensive policies and guidelines have been established to manage various ESG issues encountered during operations. Furthermore, the current management structure ensures that common ESG management principles are consistently followed throughout the Group.

ESG GOVERNANCE STRUCTURE

The Group places a high priority on its ESG commitment, aiming to seamlessly integrate these factors into its decision-making process. To ensure its ESG strategies align with the company's strategic growth, the Group has established a governance framework. This framework promotes the incorporation of ESG elements into daily business operations. The Group's ESG governance structure includes the Board and an ESG working group, which collaborate to advance its ESG strategies.

The Board	– Has full responsibility for the Group's ESG strategy and reporting, including setting and overseeing related goals and policy directions. – Regularly discusses and reviews the Group's ESG-related risks and opportunities, performance, goals and measures with the assistance of the ESG working group. – Ensures the effectiveness of ESG risk management and internal control mechanism.
The ESG working group	– Comprised of core members from various departments of the Group and reports progress to the Board on a regular basis, assisting and supporting the Board's oversight of ESG-related issues. – Responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance to ensure compliance with relevant law and regulations as well as preparing ESG reports. – Arranges meetings regularly to discuss and review ESG-related issues including but not limited to the effectiveness of the Group's ESG performance, policies and procedures and sustainability strategy goals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER IDENTIFICATION AND COMMUNICATION

To enhance the sustainable development strategy, the Group regularly engages with key stakeholders to understand their concerns. Over the past few years, the Group has maintained strong relationships with stakeholders, allowing it to fully grasp the risks and opportunities related to its business. The table below outlines the primary methods used to communicate with both internal and external stakeholders:

	Types of stakeholders	Key issues	Major communication method
Internal stakeholders	Directors	– Risk management	– Consultation via phone calls and emails on a regular and ad hoc basis – Direct communication – Company conferences on a regular and ad hoc basis – Suggestion box
	Employees	– Vocational training and development – Salaries and benefits – Health and safety	– Consultation via phone calls and emails on a regular and ad hoc basis – Direct communication – Company conferences on a regular and ad hoc basis – Suggestion box
External stakeholders	Shareholders/investors	– Stable return on investment – Transparency of information disclosure	– Annual general meeting – Consultation via phone calls and emails on a regular and ad hoc basis
	Suppliers/customers	– Performance of contract – Standardised supply chain management system and procurement process – Establishment of complaint system	– Annual report – Meetings on a regular and ad hoc basis
	Distributors	– Well-established information exchange system – Steady and stable supply of products	– After-sales opinion box – Consultation via phone calls and emails on a regular and ad hoc basis – Meetings on a regular and ad hoc basis
	Government	– Business operation in compliance with relevant laws and regulations	– Annual report – Meetings on a regular and ad hoc basis
	Community/academic institutions	– Contributions to community development	– Annual report – Community services

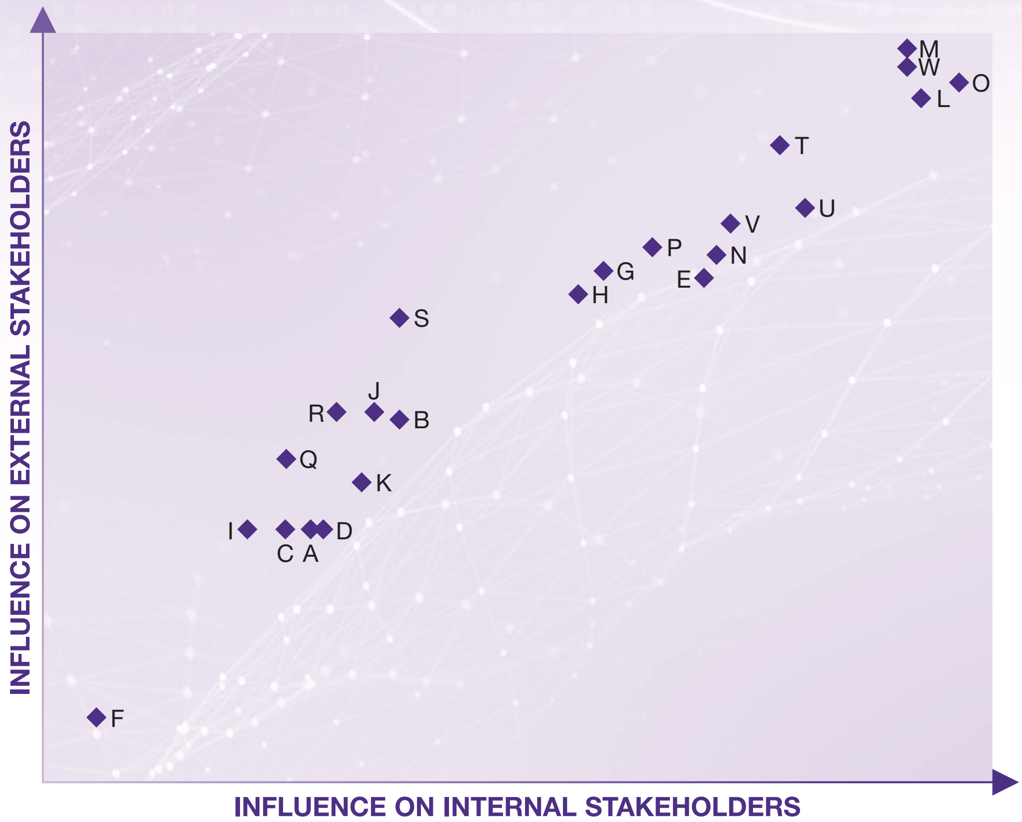
MATERIALITY ASSESSMENT

Recognizing how different ESG topics impact business and stakeholders is a crucial aspect of the Group's sustainability strategy. Each year, the Group use a systematic process to identify and evaluate ESG topics that are material or relevant to its business and stakeholders. This helps the Group develop ESG objectives and programs that strategically address these issues.

In 2024, the Group conducted the annual materiality assessment to ensure that the ESG strategy remains fit for the purpose. ESG topics are identified based on:

- The Group's purpose, values and strategy;
- Risk faced by the Group;
- The global sustainability agenda and international best practices; and
- Stakeholder feedback.

The Group sought feedback from its main stakeholders on sustainability issues for this year's ESG report and conducted a materiality assessment to determine the key areas of its ESG work. The material topics were rated and ranked based on their business impact, both externally and internally. The following topics emerged as the most important for the stakeholders: occupational health and safety, employee's welfare and pay system, customer data protection and privacy and customer satisfaction survey.



A	Environmental management system and related policies	**I**	Information on greenhouse gas emission	**Q**	Measures to reduce emissions achievements
B	Compliance with laws and regulations on emissions	**J**	Amount of hazardous waste generated and handling method	**R**	Amount of non-hazardous waste generated and handling method
C	Waste Management and recycling method	**K**	Energy efficiency and management	**S**	Resource management
D	Water consumption and wastewater discharge control	**L**	Occupational health and safety	**T**	Employees' training and development
E	Employees' rights and turnover rate	**M**	Employees' welfare and pay system	**U**	Employment practices to avoid child labour and forced labour
F	Donation and community investment	**N**	Stakeholder communication	**V**	Supply chain management
G	Product safety and quality assurance management	**O**	Customer data protection and privacy policies	**W**	Customer satisfaction survey
H	Anti-corruption policies	**P**	Whistle-blowing procedures		

ENVIRONMENTAL PERFORMANCE

The Group strives to minimize its environmental impact, despite its core business having a relatively low environmental footprint. It has implemented effective measures to reduce its environmental footprint, primarily stemming from vehicle use and electricity consumption. The Group generates minimal waste, none of which is hazardous. Notably, the Group has improved its environmental performance compared to the previous year.

The Group adheres to the relevant laws and regulations in the PRC and Hong Kong, along with local government policies and the Group's own management standards. It is dedicated to fulfilling its social responsibility for environmental protection. The Group complies with laws such as the Environmental Protection Law, the Prevention and Control of Atmospheric Pollution, and the Regulation on Urban Drainage and Sewage Treatment in the PRC.

The Group's main business did not change significantly during the Reporting Period, and the Group adhered to the latest environmental regulations.

1. Environmental Targets

Through sustainable development goals, the Group facilitates collaboration among the operating entities to achieve common goals. With the improvements in standards, efficiency and innovation, the Group aims to mitigate operational risks and build long-term resilience for its businesses.

Category	Metrics and targets	Implementation measures[1]
Greenhouse gas emission reduction	Metrics: – Gas emissions – Scope 1 emissions – Scope 2 emissions – Scope 3 emissions – GHG emissions intensity Targets: – Actively respond to the national carbon peak and carbon neutrality goals and practice green operations. – All kinds of gaseous pollutants consistent with the level of the Reporting Period in the next 3 to 5 years.	Implemented: – All departments to manage their power consumption of air-conditioners, and to monitor departmental staff to switch off all electrical equipment and production facilities during breaks and after work. – Set up ventilation and air-conditioning system and maintain at 25 degrees Celsius. – Encourage the carpooling to reduce the usage of vehicles. To-be implemented: – Green office to be implemented. – Carbon emission to be verified.

Category	Metrics and targets	Implementation measures[1]
Waste reduction	Metrics: – Hazardous waste disposal quantity – Hazardous waste intensity – Non-hazardous waste disposal quantity – Non-hazardous waste intensity Targets: – Green procurement will be implemented and green procurement standards will be incorporated into supplier management. – Garbage classification will be implemented in all office premises in Hong Kong and the PRC. – All electronic waste will be disposed in a harmless manner. – Waste disposal amount consistent with the level of the Reporting Period in the next 3 to 5 years.	Implemented: – Promote “paper-free” office and encourage staff to reduce printing demands. – Encourage material and stationery re-use and choosing suitable packaging materials. – Reduce the use of paper cup in pantry and promote the use of environment friendly cleaning products. – Promote waste segregation and recycling within the office to further reduce the generation of general waste. To-be implemented: – Awareness of avoiding food waste to be promoted.
Resources conservation	Metrics: – Total energy consumption – Energy consumption intensity – Amount of water consumed – Water consumption intensity Targets: – Electricity consumption consistent with the level of the Reporting Period in the next 3 to 5 years. – Water consumption consistent with the level of the Reporting Period in the next 3 to 5 years.	Implemented: – All employees to switch off and unplug any electronic devices that are not in use to avoid standby power loss. – Doors and curtains are shut to enhance the thermal insulation of the office. – Maintains the air-conditioning system at 25 degrees Celsius, which is the optimal level for energy efficiency. – Encourages employees to share rides when using the Group’s vehicles. To-be implemented: – Water-saving facilities to be improved, and water-saving faucets to be installed in certain workplaces.

Note:

1. Measures are illustrated on a “including but not limited to” basis.

2. Emissions

The Group strictly follows all relevant national and local laws and regulations concerning emissions during operations and closely monitors compliance. It has also consulted with stakeholders, considering potential business recovery and growth.

2.1. Gas Emission

The Group's emissions of gaseous pollutants remained similar compared to the previous years, with vehicular emissions being the primary source. To address greenhouse gas emissions, the Group has implemented measures to reduce vehicle usage and electricity consumption. In 2024, the increased amount of Scope 2 emission was due to the enlargement of business scaling in the PRC.

Major Gas Emission Indicators

GHG Emission[1]	Unit	2024 PRC	2024 HK	2024 Total	2023 Total
Nitrogen oxides (NO_x)	kg	1.85	0.49	**2.34**	2.39
Sulphur dioxide (SO_2)	kg	0.03	0.01	**0.04**	0.04
Particulate matter (PM)	kg	0.14	0.04	**0.17**	0.18
Scope 1[2]	Tonnes of CO_2-e	5.50	2.13	**7.63**	7.56
Scope 2[3]	Tonnes of CO_2-e	39.97	5.89	**45.86**	38.90
Scope 3[4]	Tonnes of CO_2-e	4.27	–	**4.27**	4.19
Total	**Tonnes of CO_2-e**	**49.74**	**8.02**	**57.76**	**50.66**
GHG Emission	Tonnes of CO_2-e/m^2	0.05	0.07	**–**	PRC: 0.04 HK: 0.06

Notes:

1. The calculation method of the corresponding air emissions and the emission factors used in the calculation are based on HKEx ESG Reporting Guide and their referred documentation, unless stated otherwise.

2. Scope 1: Direct emission from sources that are owned or controlled by the Group.

3. Scope 2: Indirect emission from the generation of purchased electricity consumed by the Group.

4. Scope 3: Indirect emission mainly from paper usage, water consumption and sewage discharge of the Group.

2.2 Waste Management

The Group operates without producing any material hazardous waste. The main non-hazardous waste comes from the office activities. The Group has taken steps to reduce the amount of waste and the waste produced in 2024 was very low. The Group did not measure the waste level in 2024.

The Group utilizes minimal water in its production process and generates only a small amount of wastewater, strictly adhering to all relevant laws and regulations.

The Group has an effective waste management system in place that properly handles both hazardous and non-hazardous waste. The Group regularly reviews this system and promotes the recycling and reuse of office documents to reduce non-hazardous waste.

3. Use of Resources

The Group is dedicated to reducing the environmental impact of its operations by optimizing resource use and implementing energy and water efficiency measures. Additionally, it fosters a culture of resource conservation among its employees.

In 2024, the electricity consumption increased compared to 2023 due to the enlargement of the business scaling in the PRC.

The Group's operations in the PRC and Hong Kong are primarily located in commercial buildings managed by external property management service providers. In 2024, the Group was unable to obtain water consumption data for these subsidiaries due to lack of access to the water usage records. Nonetheless, the Group consistently reminds employees to be mindful of water usage and encourages them to avoid unnecessary water wastage during daily operations.

Resource Consumption	Unit	2024 PRC	2024 HK	2024 Total	2023 Total
Purchased Electricity	Kilowatt Per Hour In '000s	50.92	8.92	**59.84**	50.74
Petrol	Kilowatt Per Hour In '000s	18.12	7.01	**25.13**	24.91
Total	**Kilowatt Per Hour In '000s**	**69.04**	**15.93**	**84.97**	**75.65**
Energy Consumption intensity	Kilowatt Per Hour In '000s/m^2	0.07	0.13	**–**	PRC: 0.06 HK: 0.12
Water	m^3	2,922.72	–	**2,922.72**	2,922.72
Water consumption intensity	m^3/m^2	2.9	–	**–**	PRC: 2.9 HK: –

4. The Environment and Natural Resources

Due to the nature of its operations, the Group does not pose a significant environmental risk or consume large amounts of natural resources. Nevertheless, the Group is dedicated to minimizing its environmental impact and resource consumption. All environmental protection measures are rigorously supervised during daily operations to ensure proper implementation. Furthermore, the Group continuously seeks potential emission reduction measures on an ongoing basis.

The Group is dedicated to environmental protection and proactively manages the impact of its business on the environment and natural resources. The Group strives to achieve environmental sustainability by integrating environmental protection concepts into internal management and business operations. To conclude, the Group has implemented various resource usage and emission reduction measures, and actively promotes environmental awareness among employees, encouraging them to suggest innovative ideas to reduce environmental damage and support the Group in achieving more sustainable operations. Relevant details are described in the "Environmental Targets", "Emissions" and "Use of Resources" sections.

5. Climate Change

In the context of global warming, the risks and impacts of climate change are becoming more and more significant, which is a major challenge for humanity. Based on the framework and recommendations proposed by the Task Force on Climate-related Financial Disclosure ("TCFD") and focusing on "governance", "strategy", "risk management" and "metrics and targets", the Group proactively identified and analyzed the physical risks and transitional risks associated with climate change that affect the Group, in order to deal with the impact of climate change on the Group's operations.

5.1. Governance

The Group's Board sets the direction and monitors the progress of sustainable development initiatives, including those related to climate change. The Board delegates the ESG working group to oversee the ESG management and report regularly to the Board on the major climate risks and mitigation actions. The ESG working group meets at least twice a year to handle the daily climate risk identification and assessment and drives the work on climate change issues.

5.2. Strategies

Climate change carries risks for the Group's business. Flooding, extreme weather events and increasing temperatures can adversely affect the Group's assets, operations, employees and suppliers. There are also regulatory, market and reputational risks. Climate change appears on risks affecting both the Group and the operating subsidiary levels. Climate change also creates opportunities, it stimulates business innovation and facilitates the transition to a lower carbon economy. By developing low-carbon and climate resilient products and services, the Group can meet increasing market demand and mitigate the potential operational costs from extreme weather conditions, such as maintenance and insurance premiums.

Below illustrates the key climate-related physical risk relevant to the Group.

Risk categories			Risk impacts	Financial implications	Time horizon[1]	Control measures
Physical Risks	Acute Risk	Typhoon	Extreme weather such as typhoons and extreme precipitation will affect the normal operation of infrastructure facilities and employees commuting. The Group may be involved in breach of contract, compensation, and legal liability due to business interruption and other problems.	– Increase in costs/ decrease in revenue due to asset damage. – Increase in costs of climate resilience measures. – Threat to employee health and safety. – Increase in insurance premiums and claim costs.	Short to medium term	– When selecting a site for office/workplace, the Group studies the historical data of local disasters and give priority to weather-friendly regions. – The Group extends the natural disaster emergency management systems to its customers. – The Group incorporates disaster prevention drills into its maintenance system and conduct them on a regular basis.
		Extreme precipitation			Short to medium term	
	Chronic Risk	Rising of average temperature	Increasing temperature could cause a potentially adverse impact on the daily operation and maintenance of the equipment of the Group, including impacting the lifespan of the facilities and equipment within the workplaces. The energy consumption pressure for heat dissipation and cooling of the equipment and indoor environment is high, resulting in higher carbon emissions. Simultaneously, it also increases the consumption of water resources.	– Decrease in revenue due to lower demand for the Group's products and services. – Increase in operating costs due to energy consumption. – Threat to employee health and safety.	Long term	– When selecting a site for office/workplace, the Group gives priority to areas that can efficiently use natural resources, and which are rich in renewable energy. – The Group actively communicate with energy trading institutions about green energy consumption opportunities.

Below illustrates the key climate-related transition risk relevant to the Group.

Risk categories			Risk impacts	Financial implications	Time horizon[1]	Control measures
Transition Risks	Policy & Regulation Risk	Strengthening the responsibility of emission reporting	International and domestic regulatory agencies, capital market index ratings all have continuously upgraded requirements for disclosing environment-related information. To implement carbon trading, carbon tax, and environmental tax, the government must raise the accuracy requirement of carbon emissions data reporting. The Group needs to improve the overall comprehensiveness and accuracy of environmental data disclosure. If the environmental reporting requirements are not met, the Group will face compliance risks from regulatory authorities.	– Decrease in revenue due to lower demand for the Group's products and services. – Increase in compliance costs. – Increase in insurance costs. – Increase in revenue from low-carbon products and services.	Short to medium term	– The Group actively conduct research on policy control risks, enhance communication with stakeholders, and actively respond to the demands of the stakeholders. – The Group continues to promote the meticulous management of energy and establish the management and control systems for energy statistical analysis, so as to mitigate the compliance risk of information disclosure. – The Group continues to promote energy conservation and emission reduction, such as the implementation of green office policies and minimizing waste in daily business operation.
	Technology Risk	Cost of transition to low emission technologies/ failure to successfully invest in new technologies	In view of global warming and environmental protection, China has introduced new energy consumption and carbon emission control policies and measures and has put forward energy-saving requirements for the general commercial sectors. The Group thus faces pressure to transition to low carbon technologies. This may lead to an increase in compliance and operating costs. Failing to invest in or develop new low-carbon technologies could increase the Group's risk of financial loss.	– Investments in new technologies lead to higher R&D expenditures. – Energy efficiency improvements lead to operating costs reduction.	Medium to long term	– The Group examines the justification of new technology investments and the compatibility with its business. The latest technologies need to be proven compatible, and which have passed technical experiments and have applied on a small scale before entering the large-scale application stage, so as to avoid the financial losses caused by unnecessary development failures. – The Group encourages its business partners and customers to adopt low-carbon and energy-saving new technologies.
	Reputational Risk	Increased concerns or negative feedback from stakeholders	Extreme climate events, such as extreme precipitation and typhoons, and chronic climate change, such as rising average temperature, may affect the safe and continuous operation of the Group. This may cause concerns and negative feedback from stakeholders regarding the stability of the Group's business. Besides, energy-saving and emission reduction have become a major concern of regulatory and investment institutions under the dual carbon target initiative. High energy consumption in daily operation may trigger concerns among stakeholders (including the government and investors) regarding the Group's operational efficiency and commitment to compliance obligations.	– Increase in financing opportunities. – Increase in costs of communication activities.	Long term	– According to the requirements of regulatory authorities, the Group improves the accuracy and comprehensiveness of the disclosure of carbon emission data and energy consumption data and reduce the concerns and negative feedback of the Group's stakeholders. – The Group formulates emergency management plans for extreme natural disasters, natural disasters prevention plans and a summary of contingency measures for emergencies to minimize the impact of climate change on the Group's operation, reducing the concerns and negative feedback of the Group's stakeholders.

The Group has also identified some key climate-related opportunities.

Opportunity category	Opportunity	Financial implications	Time horizon[1]	Strategies
Resource efficiency	Use of more efficient production and distribution processes	Lower operating costs due to higher energy efficiency	Short to medium term	– The Group has energy and water use intensity targets for its operation.
Products and services	Increased market demand for climate-resilient green energy products and services	Increase in revenue due to shifts in market preferences	Medium to long term	– The Group has been implementing sustainable production policies.
Markets	Sustainable financing	Diversified financing sources and lower costs of capital	Short to medium term	– The Group has entered into financing negotiations with potential investors based on its green characters.

Note:

1. Short to medium term refers to period up to 2035; and long term refers to period up to 2050.

The Group has been evaluating the implications of various long-term climate scenarios, with the Board and risk functions collaborating to assess the robustness of the Group's climate strategies and the uncertainties associated with their execution. The Group's analysis indicates that, in all assessed climate scenarios, there is an overall low to moderate risk of physical climate impacts on its assets.

5.3. Risk Management

The Group considers climate risk as part of its corporate risk management and developed the following procedures to identify the relevant risks:

Step 1: Risk inventory	– Preliminary identification of climate risk and opportunity aligned with the TCFD categories – Analyse sector and peer best practices – Interviews with climate risk related departments – Generate a long list of climate-related risks and opportunities ("CRROs")
Step 2: Scenario analysis	– Selection of low and high carbon climate scenarios for analysis – Selection of the time horizon for analysis – Conducting scenario analysis for CRROs to identify material climate risks and opportunities
Step 3: Risk quantification	– Selecting quantitative indicators, database and models for quantitative analysis – Developing financial impact transmission pathways – Developing financial impact quantification tools – Quantifying the financial impact of material risks and opportunities
Step 4: Risk response	– Developing risk management measures for material CRROs – Assessing the effectiveness of the risk mitigation measures

The scenarios used by the Group have been informed by several publicly available climate scenarios from recognized authorities including the International Energy Agency ("IEA"), the Network for Greening the Financial System ("NGFS") and the IPCC who developed the Shared Socio-Economic Pathways ("SSPs"). The scenarios incorporate global and local government policies, environmental, economic, social and technology indicators and market trends. The scenarios are not intended to be predictions of the future; rather, they seek to stress-test the Group's business against several plausible future states. The scenarios look at time horizons, a short-medium term of 2030-2035 and long-term of 2050. Brief descriptions of the adopted "High Carbon Scenario" and "Low Carbon Scenario" are set forth as below.

High Carbon Scenario	Represents a 'business as usual' world which does not forcefully pursue decarbonisation, and where no additional action is taken above the current policies that are in place in 2023/24. Emissions slow to a plateau in the 2030's and fall slightly by 2050. Almost all the net growth in energy demand to 2050 is met by low emissions sources, but this leaves annual emissions at around current levels. As a result, global average temperatures continue to rise, passing the 1.5°C mark around 2030 and expected to hit 2.6°C above pre-industrial levels in 2100. The focus for stakeholders under this scenario is on adaptation as the world fails to transition to a low-carbon economy.
Low Carbon Scenario	Represents a world where global warming is limited to 1.5°C through stringent climate policies, innovation and demand-led change reaching global net zero CO_2 emissions around 2050. In addition to meeting all current net zero pledges, additional pledges from countries are met and there is a significant increase in public and private investment into green technologies. The share of renewables in the global electricity supply increases to more than 60% by 2030 and there are much more stringent government policies such as stricter energy efficiency building codes significant uptake of Sustainable Aviation Fuel and the use of recycled material in packaging.

These scenarios together represent balanced science-based scenarios that offer a contrast between the best-case and the worst case scenarios for the Group to sufficiently consider the risks and opportunities posed by climate change that could potentially impact the Group's business operations and value chain.

Regarding the processes for managing climate-related risks, the Group has integrated sustainability criteria into risk assessment process for daily operation and new acquisitions, including but not limited to climate adaption and resilience, flood risk assessment, energy efficiency and carbon emissions. The Group has also prepared business continuity plans covering extreme weather events. The Group have a business recovery plan in place to ensure that it can maintain critical crisis planning and execution capabilities in the event of incidents, including extreme weather events.

5.4. Metrics and Targets

The Group is committed to minimizing its environmental impact and enhancing its sustainability performance. It has adopted various measures to reduce its resource consumption and emissions and fostered a culture of environmental responsibility among its staff. The Group welcomes innovative suggestions from its employees on how to further protect the environment and operate more sustainably. More information can be found in the sections on "Environmental Targets" and "Emissions".

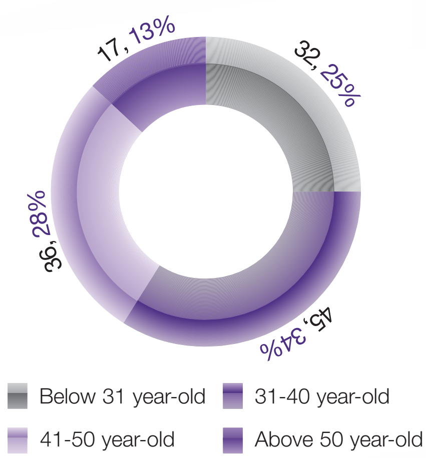
SOCIAL PERFORMANCE

1. Employment

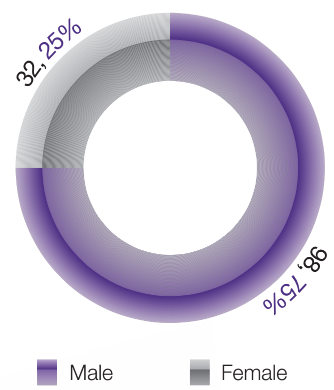
The Group has employed 130 full-time employees in 2024. All employment is strictly complied with national regulations, such as Employment Ordinance in Hong Kong, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC, the Regulation on the Annual Leave of Employees and local labour laws and regulations, and the Group uses such laws and regulations to formulate the Group's policies and work codes. The Group ensures all the Group's employees are fully protected in terms of compensation and benefits, recruitment and promotion, working hours, rest periods, entitled leaves, equal opportunity, diversity, anti-discrimination, staff training, attendance and performance. Furthermore, the Group also adheres to its internal measures to prevent employment discrimination on the grounds of nationality, age, ethnicity, race, religion, gender, marital status, pregnancy, sexual orientation, or political stance and all applicants are qualified for application and selection.

Major indicators for employment

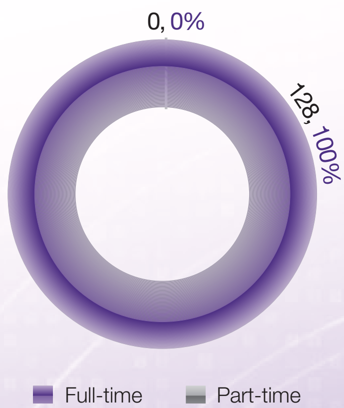
Number and percentage of staff by age group, 2024



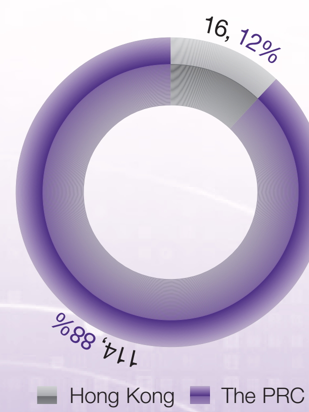
Number and percentage of staff by gender, 2024



Number and percentage of staff by employment type, 2024



Number and percentage of staff by geographical region, 2024



The employee turnover rates during the Reporting Period by gender, age group, and geographical region as follow:

Employee turnover rate	2024	2023
By gender		
– Male	**23%**	21%
– Female	**11%**	0%
By age group		
– Age 30 or below	**24%**	13%
– Age 31-40	**30%**	25%
– Age 41-50	**10%**	15%
– Age 51 or above	**–**	–
By geographical region		
– Hong Kong	**11%**	7%
– The PRC	**21%**	18%
– Others	**–**	–
– Overall	**20%**	17%

The Group organises different events to enhance the bonding and productivities of the employees, such as team building activities and annual dinner. The Group strives to provide suitable benefits and support to the staff in order to retain talents for the Group's business. The Group also promotes work-life balance working style to the employees.

2. Health and Safety

Safe and comfortable working environment is the Group's top priority and the Group strictly complies with the Labour Law of the PRC, the Prevention and Control of Occupational Diseases of the PRC, Fire Control Law of the PRC, Measures for the Determination of Work-related Injuries and relevant local laws and regulations. To provide a low-risk working environment for the staffs, the Group has implemented various measures, such as medical insurance scheme, regular maintenance on the air ventilation system to reduce indoor air quality. All firefighting and safety equipment are placed in the office. All safety equipment are checked by authorised third parties annually.

In each of the past three years, including the current reporting year, the Group has neither work-related fatalities nor loss of working days due to work injuries recorded.

3. Development and Training

The Group aims to provide continuous training to the Group's people, in order to facilitate their career and personal development, as well as to maintain an efficient and effective workforce for the Group's business. The Group's training programs are tailored to the needs of different job functions to strengthen the skills and abilities of the Group's employees. Based on the business vision and objectives of the Group and assessment of the performance and capability of employees, training topics include updates on rules and regulations, technical knowledge, management skills to customer service standards. The Group also encourages the Group's staff to have discussion on their learning plans with their supervisors during the performance evaluation process and the Group provides financial subsidies for employees to attend external training courses, where appropriate.

During the Reporting Period, the percentage of employee trained and the average training hours completed per employee by gender and employee category are as follows:

Major indicators for development and training

Training	Percentage of employees trained (%)		Average training hours (hours/employees)	
	2024	2023	**2024**	2023
By gender				
– Male	**65%**	81%	**54.7**	61.1
– Female	**44%**	35%	**37.5**	11.8
By employment category				
– Senior Management	**46%**	31%	**38.8**	11.0
– Middle Management	**100%**	45%	**66.1**	20.0
– General	**55%**	49%	**48.9**	60.3

4. Labour Standards

The Group does not engage in or tolerate any use of child or forced labour in its operations. All employees are hired in strict compliance with local labour laws and regulations, including the minimum working age requirement. Employment is offered based on the principles of fairness, openness and willingness. All positions are bound by legal contracts with detail terms and conditions of employment to protect employees' and the Company's interests.

The Group fully complies with the Employment Ordinance in Hong Kong, the Labour Law of the PRC, the Employment Promotion Law of the PRC, the Labour Dispute Mediation and Arbitration Law of the PRC, the Regulation on the Annual Leave of Employees and local labour laws and regulations, and strictly emphasizes on the prohibition of child labour and forced labour. In particular, the age of the employees is verified by inspecting their identification documents. Individuals under the age of 18 or without any identification documents are disqualified from employment. Besides, all works should be voluntarily performed and shall not involve forced labour. Upon discovery of any child labour and use of forced labour, the person will be dismissed immediately.

During the Reporting Period, the Group was not aware of any material cases of non-compliance with laws and regulations relating to labour standards arising in the Reporting Period that would have had a significant impact on the Group.

5. Supply Chain Management on Environmental and Social Risks

The Group has established a fair and transparent supplier selection process with independent review and approval for procurement exercises and does not tolerate any fraud and bribery in the Group's supply chain. The Group is committed to establishing a comprehensive vertical supply chain management system. The supply chain management system includes regular evaluation of suppliers' performance and requires the suppliers to take remedial measures where this performance is sub-standard. The management system is crucial for the Group the build long-term and stable strategic partnership with the Group's suppliers.

Distribution of suppliers by regions

Region	Number of suppliers
Northern China	18
Eastern China	8
Southern China	10
Central China	2
South-western China	4
Others	–

6. Product Responsibility

Quality of products and services and business ethics are the topic priority of the Group. The Group does not engage in unfair business activities of any kind. Its procurement and service delivering processes ensure information regarding products and services are clear and open.

The Group has ISO 9001 quality management system demonstrating its commitment to quality and its capability to satisfy customer's requirements. The Group also has ISO 20000 international standards for IT service management showing its commitment to provide quality services to customers.

The Group strictly adheres to relevant laws and regulations to protect intellectual property rights, such as the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China. The Group continuously improves its intellectual property protection management, whilst encouraging and enhancing the employees' enthusiasm in technology innovation. Additionally, the Group arranges regular training and publicity on intellectual property protection to the Group's employees and promote their awareness and the requirement of reporting via email if they are aware of any of intellectual property right infringements.

The Group focuses on catering customer needs, providing customers with the most suitable and high quality and service products. The Group implements all relevant and necessary measures to uphold the Group's commitment, aiming at providing the best services to customers. The Group conducts a strict compliance review and testing on the products and perform a comprehensive inspection and vigorous evaluation of product stability and safety before the product is launched. The Group is also committed to protecting the confidentiality of the personal data and privacy of customers. The Group puts personal data privacy as the Group's top priority. The Group only collects information which the Group considers necessary for the Group's operations. The data collected will be used directly for the purposes as stated at the time such data is collected. The Group's requirements are conveyed to employees clearly by entering an agreement with the employees in order to fully abide by the guidance on prohibiting any unauthorized accessing or disclosure of confidential information. Employees who violate the agreement will be subject to disciplinary action as defined in Staff Handbook.

During the Reporting Period, the Group did not receive any complaint regarding product responsibility.

7. Anti-Corruption

The Group maintains a zero-tolerance policy towards corruption, bribery, extortion, fraudulent behavior, and money laundering. To minimize the occurrence of such activities, it has designed and implemented various internal controls. Ethical requirements and conduct guidelines for employees are detailed in the employee handbook, which is distributed and communicated to all staff. In cases of proven misconduct, the employee will face disciplinary action and may be reported to the police and relevant governing bodies as necessary.

Additionally, the Group has established a whistle-blowing channel for staff to report suspicious misconduct. Reports are followed up and investigated by independent personnel in a timely manner. Throughout 2024, regular training was provided to management and employees to ensure they understand the latest regulations and best practices related to anti-bribery, extortion, fraud, and money laundering, including national anti-corruption policies and the Group's internal Code of Conduct.

The Group strictly complies with the Prevention of Bribery Ordinance in Hong Kong, the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC, and other applicable laws and regulations. It is not aware of any cases of material non-compliance with these laws and regulations during the Reporting Period that would have significantly impacted the Group.

8. Community Investment

The Group places high priority in creating value for the communities it serves and encourages its employees to actively participate in sponsorships and charitable support through direct donation or involvement in various community and charitable activities to support those in need. The Group is committed to providing career opportunities to the locals and promoting the development of community's economy. Going forward, the Group is looking for opportunities to contribute to the community.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS

ESG Reporting Guidelines Aspects		Description	Pages/ Remarks
A. Environmental			
Aspect A1：Emissions			
General Disclosure	A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	38, 40
KPI	A1.1	The types of emissions and respective emissions data.	40
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity. Repealed 1 January 2025	40
	A1.3	Total hazardous waste produced and intensity.	40
	A1.4	Total non-hazardous waste produced and intensity.	40
	A1.5	Description of measures to mitigate emission targets and steps taken to achieve them.	40
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and steps taken to achieve them.	40
Aspect A2: Use of Resources			
General Disclosure	A2	Policies on the efficient use of resources, including energy, water and other raw materials.	39, 41
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	41
	A2.2	Water consumption in total and intensity.	41
	A2.3	Description of energy use efficiency targets and steps taken to achieve them.	41
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and steps taken to achieve them.	41
	A2.5	Total packaging material used for finished products.	41
Aspect A3: The Environment and Natural Resources			
General Disclosure	A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	39, 41
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	41

ESG Reporting Guidelines Aspects		Description	Pages/ Remarks
Aspect A4: Climate Change			
General Disclosure	A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. Repealed 1 January 2025	42-47
KPI	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. Repealed 1 January 2025	42-47
B. Social			
Employment and Labour Practices			
Aspect B1：Employment			
General Disclosure	B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	48
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	48-49
	B1.2	Employee turnover rate by gender, age group and geographical region.	48-49
Aspect B2: Health and Safety			
General Disclosure	B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	49
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	49
	B2.2	Lost days due to work injury.	49
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	49
Aspect B3: Development and Training			
General Disclosure	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	49
KPI	B3.1	The percentage of employees trained by gender and employee category.	50
	B3.2	The average training hours completed per employee by gender and employee category.	50

ESG Reporting Guidelines Aspects		Description	Pages/ Remarks
Aspect B4: Labour Standards			
General Disclosure	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	50
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	50
	B4.2	Description of steps taken to eliminate such practices when discovered.	50
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain.	51
KPI	B5.1	Number of suppliers by geographical region.	51
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	51
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	51
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	51
Aspect B6: Product Responsibility			
General Disclosure	B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	51-52
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	51-52
	B6.2	Number of products and service-related complaints received and how they are dealt with.	51-52
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	51-52
	B6.4	Description of quality assurance process and recall procedures.	51-52
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	51-52

ESG Reporting Guidelines Aspects		Description	Pages/ Remarks
Aspect B7: Anti-corruption			
General Disclosure	B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	52
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	52
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	52
	B7.3	Description of anti-corruption training provided to directors and staff.	52
Aspect B8: Community Investment			
General Disclosure	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	52
KPI	B8.1	Focus areas of contribution.	52
	B8.2	Resources contributed (e.g. money or time) to the focus area.	52

CLIMATE-RELATED DISCLOSURES

TCFD Recommendation		Pages/ Remarks
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.	42
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.	42-45
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks. Describe the organization's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	46-47
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	47

DIRECTORS' REPORT

The Board of Directors is pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 13 to the consolidated financial statements.

BUSINESS REVIEW

"Management Discussion and Analysis" on pages 7 to 14 and "Five-Year Summary and Key Financial Ratios" on pages 15 and 16 form part of this Directors' report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed under section headed "Environmental, Social and Governance Report" on pages 32 to 57.

Principal Risks and Uncertainties Facing the Company

The Group's business and profitability growth in the year under review was affected by the volatility and uncertainty of macro-economic conditions in the PRC and Hong Kong.

The Group's business is also exposure to credit, liquidity, interest rate, foreign currency and equity price risks. An analysis of the Group's financial risk management is provided in note 29 to the consolidated financial statements.

Environmental Policies and Performance

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable from the operational activities in order to minimise these impacts if possible.

Compliance with the Relevant Laws and Regulations

During the year ended 31 December 2024 and up to the date of this report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operation.

Key Relationships with Employees, Customers and Suppliers

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2024, there was no material and significant dispute between the Group and its employees, customers and suppliers.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2024 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 73 to 78.

DIVIDENDS

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 13 June 2025.

DISTRIBUTABLE RESERVES

At 31 December 2024, the Company did not have reserves available for distribution to equity shareholders of the Company (2023: Nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 24 to the consolidated financial statements and the sub-paragraph headed "Placing of New Shares" in the section headed "Management Discussion and Analysis".

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on pages 15 and 16 of this report.

DIRECTORS' REPORT

CHARITABLE DONATIONS

During the year, the Group did not have charitable donation (2023: Nil).

FIXED ASSETS

Details of movements in fixed assets are set out in note 11 to the consolidated financial statements.

DIRECTORS

The list of Directors of the Company during the year and up to the date of this annual report is set out below:

Executive Directors

Mr. Yu Hui *(Chief Executive Officer)*
Ms. Li Zhuoyang
Mr. Liu Yang *(resigned with effect from 27 June 2024)*
Mr. Liang Liang *(appointed on 16 July 2024 and resigned with effect from 24 January 2025)*

Independent Non-executive Directors

Mr. Cai Jinliang
Mr. Chin Hon Siang
Mr. Chen Kwok Wang

In accordance with Article 87 of the Articles, Mr. Chin Hon Siang and Mr. Chen Kwok Wang shall retire from office as Directors by rotation and, being eligible, offer themselves for re-election at the 2025 AGM.

DIRECTORS' SERVICE CONTRACTS

Mr. Yu Hui, an executive Director and the chief executive officer of the Company, has entered into a management employment contract with the Company for an initial term of three years commencing from 26 October 2023.

The Company has renewed the management employment contract with Ms. Li Zhuoyang, an executive Director, for a term of three years commencing from 24 May 2024.

The Company has renewed the appointment letter with Mr. Cai Jinliang, an independent non-executive Director, for a term of three years with retrospective effect from 24 August 2023.

The Company has also renewed the appointment letter with Mr. Chin Hon Siang, an independent non-executive Director, for a term of three years commencing from 26 May 2024.

Mr. Chen Kwok Wang, an independent non-executive Director, signed an appointment letter issued by the Company for an initial term of three years commencing from 9 December 2021. The term of appointment continues without entering into a renewed appointment letter.

Each Director is subject to retirement by rotation at least once in every three years in accordance with the Articles.

None of the Directors who are proposed for re-election at the 2025 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

Each of the independent non-executive Director has provided his annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined below) as set out below, there was no other equity-linked agreement entered into by the Group during the year or subsisting at the end of the year.

SHARE OPTION SCHEME

The Company has adopted the share option scheme at the annual general meeting of the Company held on 26 May 2016 and amended its terms at the annual general meeting of the Company held on 23 June 2023 (the "Share Option Scheme"). The amendments are to conform with the amendments to the Listing Rules relating to share schemes of listed issuers which took effect from 1 January 2023.

The principal terms of the Share Option Scheme (as amended on 23 June 2023) are summarised as follows:

1. The purpose of the Share Option Scheme is to enable the Company to grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group.

2. The participants of the Share Option Scheme include only the full time or part time employees (including any directors) of the Company or its subsidiaries.

3. The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not exceed 10% of the issued shares of the Company as at 26 May 2016, being the date of approval of the Share Option Scheme, which was 417,924,982 shares (the "Scheme Mandate Limit") and such limit might be refreshed by Shareholders at general meeting. Upon the share consolidation of every ten (10) issued and unissued shares of par value of HK$0.01 each into one (1) consolidated share of par value of HK$0.10 each becoming effective on 30 June 2016, the Scheme Mandate Limit has been adjusted to 41,792,498 shares. On 30 June 2021, the Scheme Mandate Limit was refreshed to 113,385,477 shares, representing 10% of the number of shares in issue as at the date of the annual general meeting held on 30 June 2021. The Scheme Mandate Limit was adjusted to 5,669,273 shares upon the effective of the capital reorganisation became effective on 25 March 2022. On 23 June 2023, the Scheme Mandate Limit was further refreshed to 20,407,818 shares, representing 10% of the number of shares in issue as at the date of the annual general meeting of the Company held on 23 June 2023.

4. The total number of options available for grant under the Scheme Mandate Limit at 1 January 2024 and 31 December 2024 was 20,407,818. As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 20,407,818 shares, representing approximately 8.33% of the issued shares of the Company (excluding treasury shares).

5. Unless approved by the Shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of the shares in issue. Unless approved by the Shareholders, any granted of awards to an independent non-executive Director or any of their associates in any 12-month period must not exceed 0.1% of the relevant class of the shares in issue.

6. The option may be exercised at any time during a period to be determined and notified by the Directors to each grantee and such period shall not exceed the period of 10 years from the date of grant.

7. The vesting period of the options granted under the Share Option Scheme shall not be shorter than 12 months from the date of acceptance of the offer. The Board may, however, at its absolute discretion, set any performance targets that must be achieved before the option can be exercised upon the grant of an option to a grantee.

8. The offer of a grant of options may be accepted within 28 days after the date of making the offer and the grantee shall pay HK$1.00 to the Company by the way of consideration for the grant.

9. The subscription price shall be determined by the Board in its absolute discretion but in any event shall be not less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

10. Subject to earlier termination by the Company at general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 May 2016.

Details of the Share Option Scheme are set out in the circulars of the Company dated 25 April 2016 and 19 May 2023.

Details of the movement in the share options granted under the Share Option Scheme during the year ended 31 December 2024 are as follows:

Name of category of participants	Date of grant of share option	Exercise Period	Exercise Price (HK$)	Outstanding as at 1 January 2024	Exercised/ cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2024
Li Zhuoyang	1 September 2020	1 December 2020 to 31 August 2030	3.6356#	367,789	–	–	367,789
					–	–	
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356#	1,485,747	–	–	1,485,747
				1,853,536	–	–	1,853,536

The vesting period of the share options is from the date of grant up to 30 November 2020. These share options are vested to the grantees on 1 December 2020 and exercisable up to 31 August 2030.

The exercise price of the share options has been adjusted from HK$4.126 per share to HK$3.6356 upon completion of the Rights Issue to reflect the bonus element of the Rights Issue. Details are set out in the Company's announcement dated 24 April 2023.

As at 31 December 2024, the Company had 1,853,536 share options outstanding under the Share Option Scheme. Save as the Share Option Scheme, the Company does not have any other share scheme. The number of shares that may be issued in respect of the share options granted under the Share Option Scheme divided by the weighted average number of issued shares of the Company (excluding treasury shares) for the year ended 31 December 2024 was 0.82%. No share option was granted, lapsed, cancelled and exercised during the year ended 31 December 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, are set out below:

Name of Director	Capacity	Long Position/ Short Position	Number of Shares held/ Approximate percentage in total number of issued Shares
Ms. Li Zhuoyang *(Note)*	Beneficial Owner	Long Position	367,789 (0.15%)

Note:

6,300,000 share options were granted to Ms. Li on 1 September 2020. Subsequent to the grant date, the number of share options was adjusted to (i) 6,481,413 to reflect the bonus element of rights issue completed on 18 May 2021; (ii) 324,070 upon the capital reorganisation became effective on 25 March 2022 and (iii) 367,789 to reflect the bonus element of rights issue completed on 25 April 2023 pursuant to the Share Option Scheme. Therefore, under Part XV of the SFO, Ms. Li is taken to be interested in the underlying shares that she is entitled to subscribe for subject to the exercise of and/or the validity period of the share options granted by virtue of SFO.

Save as disclosed above, none of the Directors, or chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2024.

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES

As at 31 December 2024, so far as is known to any Director or chief executive of the Company, the following persons (other than the Directors or chief executives of the Company) were recorded in the register of the Company required to be kept under section 336 of the SFO as having long positions of 5% or more or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

AGGREGATE INTEREST OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of shareholder	Nature of interest	Long Position/ Short Position	Number of Shares held/ Approximate percentage in total number of issued Shares
Hong Tai International II LPF	Beneficial Owner	Long position	37,000,850 (15.11%)
Cheng Wing	Beneficial Owner	Long position	15,510,000 (6.33%)

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

SUBSIDIARIES

Particulars of the subsidiaries of the Company as at 31 December 2024 are set out in note 13 to the consolidated financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in note 22 to the consolidated financial statements.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors for year ended 31 December 2024 are set out in note 7 to the consolidated financial statements.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

MAJOR CUSTOMERS AND SUPPLIERS

Contracts with the Group's five largest suppliers combined by value, accounted for approximately 82% in value of total purchases during the year ended 31 December 2024, while contracts with the Group's largest supplier by value, accounted for approximately 29% in value of total purchases during the year ended 31 December 2024. Aggregate sales attributable to the Group's five largest customers were 82% of total revenue during the year ended 31 December 2024, while approximately 40% in value of total revenue attributable to the largest customer.

Save as disclosed above, none of the Directors, their associates or any other shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Group had not entered into any connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

HUMAN RESOURCES AND STAFF REMUNERATION

The Group has a dedicated management team with extensive experience and extensive service, and has a technological talent team with high technological standard and abundant practicable experience. They are the force for the rapid growth and expansion of the Group since its establishment.

For the year ended 31 December 2024, total staff costs for the year was approximately RMB32,302,000 of which contributions to defined contribution retirement schemes were approximately RMB2,728,000. The Group has been able to retain and motivate outstanding technological and management talents through remuneration at a competitive level, as well as training and development plans.

The Company's subsidiaries in the PRC provide retirement, medical, employment injury, unemployment and maternity benefits to its employees in accordance with a state-managed social welfare scheme operated by the local government of the PRC, and the relevant PRC rules and regulations. At the same time, the employees of the Company's subsidiaries in the PRC are members of a long-term dormitory provident fund scheme operated by the local government of the PRC. According to the scheme, the Group provides dormitory provident fund to the employees in the PRC in accordance with the relevant PRC rules and regulations.

Executive Directors and members of the senior management of the Group, being non-PRC citizens, may elect not to participate in the state-managed social welfare scheme operated by the local government of the PRC. If there is any change in the PRC rules and regulations with respect to the retirement scheme upon which the Group is required to contribute to the social welfare scheme for non-PRC citizens, the Group shall comply with such new rules and regulations within the time limit prescribed by the relevant authorities.

PUBLIC FLOAT

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

AUDIT COMMITTEE

The Company established the Audit Committee on 18 December 2006 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors, Mr. Cai Jinliang (chairman), Mr. Chin Hon Siang and Mr. Chen Kwok Wang.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

AUDITORS

BOFA CPA Limited resigned as auditor of the Company with effect from 29 June 2024 and HLB Hodgson Impey Cheng Limited was appointed as auditor of the Company to fill the casual vacancy with effect from 29 June 2024.

Save as disclosed above, there was no change in auditor during the past three years.

A resolution will be submitted to the 2025 AGM to re-appoint HLB Hodgson Impey Cheng Limited as auditor of the Company.

On behalf of the Board
Enterprise Development Holdings Limited

Yu Hui
Chief Executive Officer and Executive Director

Hong Kong, 21 March 2025

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

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

To the Members of Enterprise Development Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Enterprise Development Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 73 to 144, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (cont'd)

Key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of trade and other receivables and contract assets	
Refer to notes 2(a), 18, 19 and 29 to the consolidated financial statements.	
The carrying amount of the Group's trade and other receivables amounted to approximately RMB23,524,000 (excluding prepayment and net of allowance for credit losses of approximately RMB45,672,000) and contract assets amounted to approximately RMB6,031,000 (net of allowance for credit losses of approximately RMB358,000) respectively as at 31 December 2024. We identified the expected credit loss ("ECL") for trade and other receivables and contract assets as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole, combined with the significant degree of estimations by management of the Group in estimation of ECL for trade and other receivables and contract assets which may affect their carrying values. As disclosed in note 29 to the consolidated financial statements, management assesses the ECL for trade and other receivables and contract assets by engaging a professional valuer based on an estimation on provision matrix, probability of default, loss given default and the exposure at default. The assessment of the estimation on provision matrix, probability of default and loss given default is based on historical data, financial capability of the individual debtors and forward-looking information.	Our procedures in relation to the recoverability of trade and other receivables and contract assets included: • Obtaining an understanding of how management assesses the ECL for trade and other receivables and contract assets; • Obtaining the aging of trade and other receivables and contract assets, reviewing their history of repayment and the management's assessment on the financial capability of the debtors; • Evaluating management's basis and judgement in determining credit loss allowance on trade and other receivables and contract assets; • Assessing the competence, capabilities and objectivity of the professional valuer; • Assessing recoverability of long-aged receivables and contract assets and checked to respective supporting; and • Checking the mathematical accuracy of the calculation of the ECL.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 28 March 2024.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 director on the audit resulting in this independent auditors' report is Mr. Kwok Kin Leung.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 21 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	3(a)	**408,585**	60,646
Cost of sales		**(362,571)**	(34,601)
Gross profit		**46,014**	26,045
Other income, gains and losses, net	4	**104,186**	24,082
Distribution expenses		**(21,921)**	(15,918)
General and administrative expenses		**(41,868)**	(22,573)
Loss allowance on contract assets and trade and other receivables, net		**(1,937)**	(7,314)
Profit from operation		**84,474**	4,322
Finance costs	5(a)	**(9,186)**	(918)
Profit before taxation	5	**75,288**	3,404
Income tax (expenses)/credit	6	**(1,727)**	397
Profit for the year		**73,561**	3,801
Attributable to:			
Equity shareholders of the Company		**72,737**	5,550
Non-controlling interests		**824**	(1,749)
Profit for the year		**73,561**	3,801
		RMB	RMB
Basic and diluted earnings per share	10	**0.321**	0.033

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	**73,561**	3,801
Other comprehensive income for the year (after tax)		
Items that are or may be reclassified to profit or loss:		
Exchange difference on translation of financial statements of overseas operations	**5,230**	2,573
	5,230	2,573
Total comprehensive income for the year	**78,791**	6,374
Attributable to:		
Equity shareholders of the Company	**77,943**	8,051
Non-controlling interests	**848**	(1,677)
Total comprehensive income for the year	**78,791**	6,374

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	11	**1,897**	2,419
Intangible assets	12	**18,639**	6,912
Right-of-use assets	14	**2,437**	3,152
Interests in an associate	15	**21,000**	–
		43,973	12,483
Current assets			
Inventories	16	**37,369**	–
Financial assets at fair value through profit or loss ("FVTPL")	17	**129,591**	30,078
Contract assets	18	**6,031**	22,936
Trade and other receivables	19	**182,543**	59,462
Cash and cash equivalents	20	**160,575**	177,805
		516,109	290,281
Current liabilities			
Trade and other payables	21	**45,379**	10,628
Contract liabilities	18	**56,958**	4,809
Lease liabilities	14	**1,234**	2,372
Interest-bearing borrowings	22	**32,252**	19,816
Current taxation		**1,824**	123
		137,647	37,748
Net current assets		**378,462**	252,533
Total assets less current liabilities		**422,435**	265,016
Non-current liability			
Lease liabilities	14	**1,310**	875
NET ASSETS		**421,125**	264,141
Capital and reserves			
Share capital	24(a)	**21,535**	17,752
Reserves	24(b)	**347,489**	195,136
Total equity attributable to equity shareholders of the Company		**369,024**	212,888
Non-controlling interests		**52,101**	51,253
TOTAL EQUITY		**421,125**	264,141

These consolidated financial statements on pages 73 to 144 were approved and authorised for issue by the Board of Directors on 21 March 2025 and signed on its behalf by

Li Zhuoyang
Director

Yu Hui
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to the equity shareholders of the Company									
	Share capital RMB'000 (Note 24(a))	**Share premium** RMB'000 (Note 24(b)(i))	**Other reserve** RMB'000 (Note 24(b)(ii))	**Share-based payment reserve** RMB'000 (Note 24(b)(iii))	**PRC Statutory reserve** RMB'000 (Note 24(b)(iv))	**Exchange reserve** RMB'000 (Note 24(b)(v))	**Accumulated losses** RMB'000	**Sub-total** RMB'000	**Non-Controlling interests** RMB'000	**Total equity** RMB'000
At 1 January 2023	6,939	564,253	(8,440)	2,291	8,483	21,943	(481,920)	113,549	53,565	167,114
Profit for the year	–	–	–	–	–	–	5,550	5,550	(1,749)	3,801
Other comprehensive income:										
Items that are or may be reclassified to profit or loss:										
Exchange difference on translation of financial statements of overseas operations	–	–	–	–	–	2,501	–	2,501	72	2,573
	–	–	–	–	–	2,501	–	2,501	72	2,573
Total comprehensive loss for the year	–	–	–	–	–	2,501	5,550	8,051	(1,677)	6,374
Transactions with owners:										
Contributions and distributions:										
Acquisition of non-controlling interest (note 25)	–	–	635	–	–	–	–	635	(635)	–
Issue of rights shares, net of expenses (note 24(a)(i))	10,813	79,840	–	–	–	–	–	90,653	–	90,653
Total transactions with owners	10,813	79,840	635	–	–	–	–	91,288	(635)	90,653
As at 31 December 2023 and 1 January 2024	17,752	644,093	(7,805)	2,291	8,483	24,444	(476,370)	212,888	51,253	264,141
Profit for the year	–	–	–	–	–	–	72,737	72,737	824	73,561
Other comprehensive income:										
Items that are or may be reclassified to profit or loss:										
Exchange difference on translation of financial statements of overseas operations	–	–	–	–	–	5,206	–	5,206	24	5,230
	–	–	–	–	–	5,206	–	5,206	24	5,230
Total comprehensive income for the year	–	–	–	–	–	5,206	72,737	77,943	848	78,791
Transactions with owners:										
Contributions and distributions:										
Placing of shares, net of expenses (note 24(a)(ii))	3,783	74,410	–	–	–	–	–	78,193	–	78,193
Total transactions with owners	3,783	74,410	–	–	–	–	–	78,193	–	78,193
At 31 December 2024	21,535	718,503	(7,805)	2,291	8,483	29,650	(403,633)	369,024	52,101	421,125

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		**75,288**	3,404
Adjustments for:			
Amortisation of intangible assets	12	**797**	427
Depreciation of property, plant and equipment	11	**636**	489
Depreciation of right-of-use assets	14	**2,552**	1,979
Finance costs	5(a)	**9,186**	918
Fair value change on financial assets at FVTPL	4	**(104,129)**	(24,184)
Written-off on property, plant and equipment	11	**3**	–
Increase in loss allowance on trade and other receivables		**2,885**	6,215
(Decrease)/increase in loss allowance on contract assets		**(948)**	1,099
Dividend income		**(383)**	(71)
Interest income		**(497)**	(165)
Changes in working capital:			
Contract assets		**17,853**	(17,822)
Contract liabilities		**51,150**	2,724
Financial assets at FVTPL		**7,620**	5,460
Inventories		**(36,650)**	–
Trade and other payables		**34,147**	(6,110)
Trade and other receivables		**(125,122)**	13,029
Cash used in operating activities		**(65,612)**	(12,608)
Tax paid		**(26)**	–
Net cash used in operating activities		**(65,638)**	(12,608)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	11	**(116)**	(2,334)
Payment for intangible assets	12	**(12,524)**	(3,854)
Investment in an associate		**(21,000)**	–
Dividend received		**383**	71
Interest received		**497**	124
Net cash used in investing activities		**(32,760)**	(5,993)
FINANCING ACTIVITIES			
Proceeds from issue of placing shares, net of expenses	24	**78,193**	–
Proceeds from issue of rights shares, net of expenses	24	**–**	90,653
Proceeds from bank borrowings	22	**20,000**	8,000
Repayment of bank borrowings	22	**(8,000)**	(3,000)
Repayment of lease liabilities	20(b)	**(2,542)**	(1,955)
Finance costs paid	20(b)	**(8,886)**	(816)
Net cash generated from financing activities		**78,765**	92,882
Net (decrease)/increase in cash and cash equivalents		**(19,633)**	74,281
Cash and cash equivalents at 1 January		**177,805**	101,036
Effect of foreign exchange rate changes		**2,403**	2,488
Cash and cash equivalents at 31 December	20(a)	**160,575**	177,805

1. MATERIAL ACCOUNTING POLICIES

Enterprise Development Holdings Limited (the "Company") is a company incorporated in the Cayman Islands as an exempted company with limited liability on 20 April 2006 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 11 January 2007.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance (Cap.622). The measurement basis used in the preparation of the consolidated financial statements is the historical cost, except for financial assets at FVTPL (see note 1(g)), which are measured at fair value as explained in the material accounting policies set out below.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The consolidated financial statements comprise the Company and its subsidiaries. The consolidated financial statements are presented in Renminbi ("RMB"), and rounded to the nearest thousand.

(b) Changes in accounting policies

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's consolidated financial statements:

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

1. MATERIAL ACCOUNTING POLICIES

(b) Changes in accounting policies (cont'd)

Impacts on application of Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (the "2020 Amendments") and Amendments to IAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments").

The Groups have applied the amendments for the first time in the current year.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for noncurrent liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

The adoption of the other amendments does not have any significant impact on the consolidated financial statements.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) New standards and interpretations not yet adopted

Up to the date of issue of these consolidated financial statements, the IASB has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2024 and which have not been adopted in the consolidated financial statements. These include the following which may be relevant to the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
IFRS 18	Presentation and Disclosure in Financial Statements[4]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

The directors do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the results of the Group.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(d) Subsidiaries, non-controlling interests and loss of control

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.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(e) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(f) Transactions eliminated on consolidation

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 gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(g) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments. These investments are subsequently accounted for as follows, depending on their classification.

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 1(x)(iii).

The Group's financial assets mandatorily measured at FVTPL include equity securities listed in Hong Kong and the United States.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Furniture, fixtures and equipment	3-5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is 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 asset. Otherwise, it is recognised in profit or loss asincurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(i) Intangible assets (cont'd)

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values under the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Firewall patents	10 years
Software patents	10 years
Customer relationships	4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

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

As lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components, and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset 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 depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Leases (cont'd)

As lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate..

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It 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 if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Leases (cont'd)

As lessee (cont'd)

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 nil.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Credit losses and impairment of assets

Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

– financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables);

– contract assets as defined in IFRS 15;

Financial assets measured at fair value, including equity securities measured at FVTPL, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

Measurement of ECLs (cont'd)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

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

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

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

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix 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 reporting date.

For all other financial instruments including loan receivables, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower 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 (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(k) Credit losses and impairment of assets (cont'd)

Significant increases in credit risk (cont'd)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument'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 instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 1(x)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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.

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 delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; 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 (either partially or in full) 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 loss allowance in profit or loss in the period in which the recovery occurs.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(l) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– right-of-use assets;

– intangible assets; and

– investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to disposal, if measurable or VIU, if determinable.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

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

(n) Trade and other receivables (other than prepayment made to suppliers)

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(o) Prepayment made to suppliers

Prepayment made to suppliers are stated at cost less allowance for impairment losses.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group’s accounting policy for borrowing costs.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(r) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(w)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(j) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(m)). This usually occurs when the Group issues an invoice to the customer.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(x)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(x)).

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and 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 ECLs in accordance with the policy set out in note 1(k).

(t) Employee benefits

(i) Salaries, annual bonuses, contributions to defined contribution retirement plans and the cost of nonmonetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Contributions to appropriate local retirement schemes pursuant to the relevant labour rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(u) Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the binomial model, taking into account any market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of the review, with a corresponding adjustment to the reserve within equity.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

(v) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payables on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payables in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(v) Income tax (cont'd)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(v) Income tax (cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– In the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– In the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(w) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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.

(x) Revenue and other revenue

Nature of goods or services

The Group's revenue from software business represents the sales of software license and other products, the provision of software maintenance services and other services.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(x) Revenue and other revenue (cont'd)

Identification of performance obligations

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

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

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

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

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

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

Timing of revenue recognition

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

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

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

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

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

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

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(x) Revenue and other revenue (cont'd)

Timing of revenue recognition (cont'd)

Sale of good is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Software maintenance services and other services are recognised over time when services are rendered.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The Group applies the output method as services completed to date over the life of the contract.

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

(i) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(x) Revenue and other revenue (cont'd)

Timing of revenue recognition (cont'd)

(ii) Software maintenance services and other services

Software maintenance services and other services are provided in the form of fixed-price contracts. Sales of these services are recognised in the period the services are provided, using a straight-line basis over the term of contract. The deferred revenue is included in contract liabilities.

(iii) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method using 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.

(y) Translation of foreign currencies

The functional currency of the Company and its subsidiaries in the PRC are Hong Kong dollars ("HK$") and RMB respectively. For the purposes of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency.

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 into functional currencies at the foreign exchange rates ruling at the end of each 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 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.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(y) Translation of foreign currencies (cont'd)

The results of operations outside the PRC are translated into RMB at the exchange rates approximating to the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items are translated into RMB 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.

On disposal of operations outside the PRC, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(z) 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.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(aa) Related parties

For the purposes of the consolidated financial statements:

(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.

1. MATERIAL ACCOUNTING POLICIES (cont'd)

(aa) Related parties (cont'd)

(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) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

2. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

2. ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Critical accounting estimates and assumptions (cont'd)

(a) Loss allowance of contract assets, trade and other receivables

The Group estimates the loss allowances for contract assets, trade and other 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 the reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amounts of contract assets, trade and other receivable and thus the loss allowance in the period in which such estimate is changed. The Group keeps assessing the ECL of contract assets, trade and other receivables during the expected lives.

(b) Interests in an Associates

Note 15 describes that 北京龍騰海達科技發展有限公司 (「北京龍騰」) is an associate which the Group has 15% of equity interests.

In making the judgement, whether the Group has exercised significant influence over 北京龍騰, the directors of the Company considered the Group's absolute size of holding in 北京龍騰 and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors of the Company concluded that the Group has sufficiently influence voting interests to direct the relevant activities of 北京龍騰 and therefore the Group has significant influence over 北京龍騰, therefore treated as an associate and applied equity method to account for the investment.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the sale of software licenses, hardware products and other products and the provision of integrated business software solutions.

The amount of each significant category of revenue within the scope of IFRS 15 recognised during the year is as follows:

	2024 RMB'000	2023 RMB'000
Software maintenance and other services	36,777	36,251
Sale of software license, hardware products and other products	371,808	24,395
	408,585	60,646

Disaggregation of revenue from contract with customers by timing of revenue recognition is as follows:

	2024 RMB'000	2023 RMB'000
Timing of revenue recognition		
At a point in time	371,808	24,395
Over time	36,777	36,251
	408,585	60,646

Disaggregation of revenue from contracts with customers by geographic market is disclosed in note 3(c) to the consolidated financial statements.

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting

The Group manages its businesses by divisions, which are mainly organised by business lines. In a manner consistent with the way in which information is reported internally to the Board for the purpose of resource allocation and performance assessment, the Group has presented the following one major reportable segment. No operating segments have been aggregated to form the following reportable segments.

Software and Hardware Business:	Sale of software licenses, hardware products and other products and the provision of integrated business software solutions in the PRC

In addition, other unreportable segment (security trading and trading of fresh cassava) are aggregated and presented as "Others".

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Board monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade payables and accruals attributable to the sales activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted profit/(loss) before taxation". Adjusted profit/(loss) before taxation is the Group's profits/(losses) before items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted profit/(loss) before taxation, the Board is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations.

Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in both years.

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting (cont'd)

(i) Segment results, assets and liabilities (cont'd)

Information regarding the Group's major reportable segment as provided to the Board for the purposes of resource allocation and assessment performance for the years ended 31 December 2024 and 2023 is set out below:

	Software and Hardware Business		Others		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue						
Revenue from external customers	**407,756**	60,084	**829**	562	**408,585**	60,646
Reportable segment revenue	**407,756**	60,084	**829**	562	**408,585**	60,646
Reportable segment profit/(loss)						
Adjusted profit/(loss) before taxation	**6,086**	(5,230)	**80,499**	16,462	**86,585**	11,232
Depreciation and amortisation	**(2,813)**	(2,049)	**(433)**	(402)	**(3,246)**	(2,451)
Fair value gain on financial assets at FVTPL						
– Realised gain on disposal of financial assets at FVTPL	**–**	–	**99,138**	23,854	**99,138**	23,854
– Unrealised gain on financial assets at FVTPL	**–**	–	**4,991**	330	**4,991**	330
Interest expenses	**(466)**	(324)	**(8,387)**	(457)	**(8,853)**	(781)
Interest income from bank deposits	**22**	21	**273**	105	**295**	126
Loss allowance on contract assets and trade and other receivables, net	**(2,668)**	(6,600)	**731**	(714)	**(1,937)**	(7,314)
Reportable segment assets	**291,473**	180,763	**258,010**	89,159	**549,483**	269,922
Additions to non-current segment assets during the year	**35,350**	6,915	**93**	846	**35,443**	7,761
Reportable segment liabilities	**121,644**	28,956	**9,054**	671	**130,698**	29,627

3. REVENUE AND SEGMENT REPORTING (cont'd)

(b) Segment reporting (cont'd)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2024 RMB'000	2023 RMB'000
Revenue		
Reportable segment revenue	**408,585**	60,646
Profit before taxation		
Reportable segment profit derived from the Group's external customers	**86,585**	11,232
Unallocated head office and corporate expenses	**(11,297)**	(7,828)
Consolidated profit before taxation	**75,288**	3,404

	2024 RMB'000	2023 RMB'000
Assets		
Reportable segment assets	**549,483**	269,922
Unallocated head office and corporate assets	**10,599**	32,842
Consolidated total assets	**560,082**	302,764
Liabilities		
Reportable segment liabilities	**130,698**	29,627
Unallocated head office and corporate liabilities	**8,259**	8,996
Consolidated total liabilities	**138,957**	38,623

3. REVENUE AND SEGMENT REPORTING (cont'd)

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets, right-of-use assets and interests in an associate ("Specified non-current assets"). The geographical location of customers is based on the location at which the services were provided, or the goods delivered. The geographical location of the Specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of intangible assets, right-of-use assets and interests in an associate.

	Revenue from external customers		**Specified non-current assets**	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC	**407,756**	60,084	**43,543**	11,008
Thailand	**829**	562	**–**	–
Hong Kong	**–**	–	**430**	1,475
	408,585	60,646	**43,973**	12,483

(d) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group are as follows:

	2024	2023
	RMB'000	RMB'000
Customer A[1]	**N/A[2]**	16,191
Customer B[1]	**N/A[2]**	7,094
Customer C[1]	**142,124**	N/A[3]
Customer D[1]	**164,956**	N/A[3]

1 Revenue from software and hardware business segment in PRC
2 The corresponding revenue did not contribute over 10% of the total revenue of the Group
3 The corresponding revenue did not contribute any revenue of the Group

4. OTHER INCOME, GAINS AND LOSSES, NET

	2024 RMB'000	2023 RMB'000
Interest income from bank deposits	**497**	165
Dividend income	**383**	71
Exchange losses, net	**(834)**	(495)
Fair value gain on financial assets at FVTPL		
– Realised gain on disposal of financial assets at FVTPL	**99,138**	23,854
– Unrealised gain on financial assets at FVTPL	**4,991**	330
Others	**11**	157
	104,186	24,082

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2024 RMB'000	2023 RMB'000
(a) Finance costs		
Interest on interest-bearing borrowings	**9,079**	766
Interest on lease liabilities	**107**	152
	9,186	918
(b) Staff costs		
Salaries, wages and other benefits	**29,574**	22,592
Contributions to defined contribution retirement schemes (note 27)	**2,728**	2,590
	32,302	25,182
(c) Other items		
Auditor's remuneration	**737**	668
Amortisation of intangible assets (note 12)	**797**	427
Depreciation of property, plant and equipment (note 11)	**636**	489
Depreciation of right-of-use assets (note 14)	**2,552**	1,979
Research and development expenditure	**–**	205
Leases expenses of other premises under short-term leases and low-value assets (note 14)	**739**	425
Written-off on property, plant and equipment (note 11)	**3**	–

6. INCOME TAX EXPENSES/(CREDIT)

(i) Income tax expenses/(credit) in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
Current tax – the PRC		
Provision for the year	**1,727**	–
Over-provision in respect of prior years	**–**	(397)
	1,727	(397)

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC. The statutory income tax rate of its PRC subsidiaries is 25% for the years ended 31 December 2024 and 2023.

Beijing Orient LegendMaker Software Development Co., Ltd. is entitled to a preferential income tax rate of 15% for the years ended 31 December 2024 and 2023 as it was awarded high-technology status by the tax authority.

No provision of Hong Kong Profits Tax had been made as the Group's does not have assessable profit or incurred a loss for taxation purpose.

These tax rates were used to calculate the Group's deferred tax assets and liabilities as at 31 December 2024 and 2023.

(ii) Reconciliation between income tax (expenses)/credit and profit before taxation at applicable tax rates:

	2024 RMB'000	2023 RMB'000
Profit before taxation	**75,288**	3,404
Tax calculated at applicable tax rates of 25% (2023: 25%)	**(18,822)**	(852)
Tax effect of different tax rates of operations in other jurisdictions	**5,852**	752
Effect of non-deductible expenses	**(2,074)**	(1,806)
Effect of non-taxable income	**17,409**	4,005
Effect of tax concession	**508**	628
Effect of tax loss not recognised	**(4,657)**	(1,589)
Effect of temporary difference not recognised	**57**	(1,138)
Over-provision in respect of prior years	**–**	397
Tax (expenses)/credit	**(1,727)**	397

7. DIRECTORS' REMUNERATION

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:

	Year ended 31 December 2024			
	Directors' fees RMB'000	Salaries, allowance and benefits-in-kind RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors				
Ms. Li Zhuoyang	–	1,525	110	1,635
Mr. Liu Yang (Appointed on 28 April 2023 and resigned with effect from 27 June 2024)	–	680	–	680
Mr. Yu Hui	–	1,769	–	1,769
Mr. Liang Liang (Appointed on 16 July 2024 and resigned with effect from 24 January 2025)	–	848	7	855
Independent non-executive directors				
Mr. Cai Jinliang	221	–	–	221
Mr. Chen Kwok Wang	221	–	–	221
Mr. Chin Hon Siang	221	–	–	221
	663	4,822	117	5,602

	Year ended 31 December 2023			
	Directors' fees RMB'000	Salaries, allowance and benefits-in-kind RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive director				
Ms. Li Zhuoyang	–	1,392	110	1,502
Mr. Liu Yang (Appointed on 28 April 2023 and resigned with effect from 27 June 2024)	–	875	–	875
Mr. Yu Hui (Appointed on 26 October 2023)	–	316	–	316
Independent non-executive directors				
Mr. Cai Jinliang	216	–	–	216
Mr. Chen Kwok Wang	216	–	–	216
Mr. Chin Hon Siang	216	–	–	216
	648	2,583	110	3,341

There were no amounts paid during the years ended 31 December 2024 and 2023 to the directors in connection with their retirement from employment with the Group, or inducement to join. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2024 and 2023.

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest emoluments, three (2023: two) of them are directors. The aggregate of the emoluments in respect of the other two (2023: three) individuals are as follows:

	2024	2023
	RMB'000	RMB'000
Basic salaries, allowances and other benefits	**3,007**	3,094
Retirement scheme contributions	**7**	32
	3,014	3,126
Number of senior managements	**2**	3

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

	Number of individuals	
	2024	2023
Nil – HK$1,000,000	**–**	1
HK$1,000,001 – HK$1,500,000	**2**	2
	2	3

There were no amounts paid to the five highest paid employees in connection with their retirement from employment with the Group, or inducement to join during the years ended 31 December 2024 and 2023.

9. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 December 2024 (2023: Nil), nor has any dividend been proposed since the end of the reporting period.

10. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the year ended 31 December 2024 is based on the profit attributable to ordinary equity shareholders of the Company of approximately RMB72,737,000 (2023: RMB5,550,000) and the weighted average of 226,490,234 (2023: 168,968,574) ordinary shares in issue during the year.

The computation of dilutive earnings per share does not assure the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares in both year ended 31 December 2024 and 2023. The diluted earnings per share equals the basic earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost:			
At 1 January 2023	816	1,521	2,337
Exchange adjustments	2	1	3
Additions	566	1,768	2,334
Disposals	–	(69)	(69)
At 31 December 2023 and 1 January 2024	1,384	3,221	4,605
Exchange adjustments	3	–	3
Additions	116	–	116
Written-off	(51)	–	(51)
At 31 December 2024	**1,452**	**3,221**	**4,673**
Accumulated depreciation:			
At 1 January 2023	(582)	(1,181)	(1,763)
Exchange adjustments	(2)	(1)	(3)
Charge for the year	(117)	(372)	(489)
Written back on disposals	–	69	69
At 31 December 2023 and 1 January 2024	(701)	(1,485)	(2,186)
Exchange adjustments	(2)	–	(2)
Charge for the year	(208)	(428)	(636)
Written-off	48	–	48
At 31 December 2024	**(863)**	**(1,913)**	**(2,776)**
Net book value:			
At 31 December 2024	**589**	**1,308**	**1,897**
At 31 December 2023	683	1,736	2,419

12. INTANGIBLE ASSETS

	Customer relationships RMB'000	Customer contracts RMB'000	Trademarks RMB'000	Firewall patents RMB'000	Software patents RMB'000 (note (i))	Total RMB'000
Costs:						
At 1 January 2023	7,262	3,015	2,815	665	28,085	41,842
Additions	–	–	–	–	3,854	3,854
At 31 December 2023 and 1 January 2024	7,262	3,015	2,815	665	31,939	45,696
Additions	–	–	–	–	12,524	12,524
At 31 December 2024	**7,262**	**3,015**	**2,815**	**665**	**44,463**	**58,220**
Accumulated amortisation and impairment						
At 1 January 2023	(7,262)	(3,015)	(2,134)	(665)	(25,281)	(38,357)
Charge for the year	–	–	–	–	(427)	(427)
At 31 December 2023 and 1 January 2024	(7,262)	(3,015)	(2,134)	(665)	(25,708)	(38,784)
Charge for the year	–	–	–	–	(797)	(797)
At 31 December 2024	**(7,262)**	**(3,015)**	**(2,134)**	**(665)**	**(26,505)**	**(39,581)**
Net book value:						
At 31 December 2024	**–**	**–**	**681**	**–**	**17,958**	**18,639**
At 31 December 2023	–	–	681	–	6,231	6,912

Notes:

(i) Software patents

Software patents comprise staff costs which were costs capitalised in respect of development work carried out on internally generated intangible assets. The patents were designed and developed by the Group to assist the improvement of customer's computer system and expected to have useful economic life of 10 years. The management expected these software patents to contribute net cash inflows within the lifespan of these patents.

13. 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.

Name of subsidiaries	Place of incorporation/ establishment and operation	Percentage of equity interests held by the Company		Particulars of issued share capital/paid up capital	Principal activities
		Direct	Indirect		
		%	%		
Winsino Investments Limited	The BVI	100%	–	1 share of United States Dollars ("USD") 1	Investment holding
Smart Billion Enterprises Corporation	The BVI	100%	–	100 shares of USD1 each	Investment holding
Enterprise Development Investment Holdings Limited	Hong Kong	–	100%	100 shares of HK$100	Investment holding
Enterprise Development (Hong Kong) Holdings Limited	Hong Kong	–	100%	1 share of HK$1	Securities investment
Easy Talent Limited	Cayman Islands	–	60%	10 shares of USD1 each	Investment holding
Liang Hui Holdings Limited	The BVI	–	60%	1 share of USD1	Investment holding
Oriental Legend Maker Technology Ltd.	Hong Kong	–	60%	1 share of HK$1	Investment holding
Beijing Orient LegendMaker Software Development Co., Ltd. ("Beijing OLM") (note (i) and (iii))	The PRC	10.46%	53.72%	RMB122,850,000	Provision of integrated business software and hardware solutions
Chengdu Orient LegendMaker Information Industry Co., Ltd. ("Chengdu OLM") (note (ii) and (iii))	The PRC	–	64.18%	RMB30,000,000	Provision of integrated business software and hardware solutions
Shanghai Orient LegendMaker Technology Co., Ltd. ("Shanghai OLM") (note (ii) and (iii))	The PRC	–	64.18%	RMB10,000,000	Provision of integrated business software and hardware solutions
Beijing Enterprise Edge Computing Technology Co., Limited (note (i))	The PRC	-	100%	RMB32,851,000	Provision of integrated business software and hardware solutions

Notes:

(i) These entities are wholly foreign owned enterprises established in the PRC.

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

(iii) The English translation of the company names are for reference only. The official names of these companies are in Chinese.

(iv) None of the subsidiaries had issued any debt securities during the year.

13. INVESTMENTS IN SUBSIDIARIES (cont'd)

The following table lists out the information relating to Beijing OLM, Chengdu OLM and Shanghai OLM, the subsidiaries of the Group which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Beijing OLM		**Chengdu OLM**		**Shanghai OLM**	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
NCI percentage	**35.82%**	35.82%	**35.82%**	35.82%	**35.82%**	35.82%
Current assets	**146,388**	148,475	**33,499**	33,860	**28,209**	26,819
Non-current assets	**70,159**	40,190	**13,601**	13,603	**168**	808
Current liabilities	**(125,922)**	(101,464)	**(1,484)**	(1,054)	**(11,410)**	(8,269)
Non-current liabilities	**(2)**	(252)	**–**	–	**–**	(240)
Net assets	**90,623**	86,949	**45,616**	46,409	**16,967**	19,118
Carrying amounts of NCI	**32,461**	31,145	**16,340**	16,624	**6,078**	6,848
Revenue	**186,189**	52,226	**432**	860	**10,273**	7,111
Profit/(loss) for the year	**5,026**	2,778	**(793)**	(1,253)	**(2,050)**	(6,306)
Total comprehensive income/ (expense)	**5,026**	2,778	**(793)**	(1,253)	**(2,050)**	(6,306)
Profit/(loss) allocated to NCI	**1,800**	995	**(284)**	(449)	**(734)**	(2,259)
Dividend paid to NCI	**–**	–	**–**	–	**–**	–
Cash flow generated from/ (used in) operating activities	**(21,798)**	681	**(148)**	58	**1,472**	669
Cash flow used in investing activities	**(33,576)**	(6,134)	**(2)**	–	**(7)**	(12)
Cash flow generated from/ (used in) financing activities	**10,889**	16,926	**–**	–	**(580)**	(576)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Motor vehicles RMB'000	Office premises RMB'000	Total RMB'000
As at 31 December 2024			
Carrying amount	**313**	**2,124**	**2,437**
As at 31 December 2023			
Carrying amount	1,029	2,123	3,152
For the year ended 31 December 2024			
Depreciation charge	**738**	**1,814**	**2,552**
For the year ended 31 December 2023			
Depreciation charge	421	1,558	1,979

	31 December 2024 RMB'000	31 December 2023 RMB'000
Addition to right-of-use assets		
– Motor vehicles	**–**	1,442
– Office premises	**1,804**	1,574
	1,804	3,016

Lease liabilities

	31 December 2024 RMB'000	31 December 2023 RMB'000
Current portion	**1,234**	2,372
Non-current portion	**1,310**	875

The Group's right-of-use assets represent the leases of various offices and motor vehicles. Rental contracts for the year ended 31 December 2024 are typically made for fixed periods of 1 year to 5 years (2023: fixed periods of 1 year to 3 years). Lease terms are negotiated on an individual basis and contain similar terms and conditions. The Group has applied incremental borrowing rate of 3.45%-5% (2023: 5%) to the lease liabilities for the year ended 31 December 2024.

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

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

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of properties, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The Group has recognised the following amounts for the year:

	2024 **RMB'000**	2023 RMB'000
Lease payments		
Short-term leases	**709**	422
Low-value assets	**30**	3
Expenses recognised in profit or loss	**739**	425
Lease payments:		
Interest on lease liabilities	**107**	152
Repayment of lease liabilities	**2,542**	1,955
Total cash outflow for leases	**3,388**	2,532

15. INTERESTS IN AN ASSOCIATE

	Note	**2024** **RMB'000**	2023 RMB'000
Cost of investment in an associate	(a)	**21,000**	–
		21,000	–

Particulars of the associate of the Group at the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation	Issued and fully paid share capital/ Registered capital	Percentage of ownership interests 2024	Percentage of ownership interests 2023	Principal activities
北京龍騰	The PRC	RMB21,000,000/ RMB140,000,000	15%	N/A	Provision of integrated business software and hardware solutions

15. INTERESTS IN AN ASSOCIATE (cont'd)

In December 2024, Beijing Orient LegendMaker Software Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, invested 15% equity interests in 北京龍騰. The principal activity of 北京龍騰 is provision of integrated business software and hardware solutions. The Group has invested in 北京龍騰 to expand market penetration in PRC's enterprise sector, leveraging its expertise in cloud-based platforms and AI-driven tools to enhance operational efficiency for their customers. The Directors considered the Group can exercise significant influence over 北京龍騰 through voting rights and therefore treated as an associate and applied equity method to account for the investment.

Summarised financial information of the Group's associate, adjusted for any difference in accounting policies:

	北京龍騰 2024 RMB'000
As at 31 December	
Current assets	**140,000**
Net assets	**140,000**

The associate had not commence business as of the year ended date, no contingent liabilities or commitments as at 31 December 2024.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2024 RMB'000
Net assets of 北京龍騰	**140,000**
Proportion of the Group's ownership interest in 北京龍騰's subsidiaries	**15%**
The Group's share ownership interest in 北京龍騰	**21,000**

16. INVENTORIES

	2024 RMB'000	2023 RMB'000
Finished goods	**37,369**	–

17. FINANCIAL ASSETS AT FVTPL

	2024 RMB'000	2023 RMB'000
Equity securities listed in Hong Kong	**375**	2,020
Equity securities listed in the United States	**129,216**	28,058
	129,591	30,078

17. FINANCIAL ASSETS AT FVTPL (cont'd)

Note:

The fair value of listed equity securities is based on quoted market prices in active markets at the end of the reporting period.

During the year ended 31 December 2024, a fair value gain on listed equity securities of RMB104,129,000 (2023: RMB24,184,000) was recognised in profit or loss.

18. CONTRACT ASSETS AND LIABILITIES

	Note	2024 RMB'000	2023 RMB'000
Contract assets	(a)	**6,389**	24,242
Less: Allowance for credit losses		**(358)**	(1,306)
		6,031	22,936
Contract liabilities	(b)	**56,958**	4,809

Notes:

(a) The movements (excluding those arising from increases and decreases both occurred within the same year) of contract assets from contracts with customers within IFRS 15 during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**24,242**	6,420
Transferred to trade receivables	**(24,242)**	(6,420)
Recognition of revenue	**6,389**	24,242
At 31 December	**6,389**	24,242

The contract assets are primarily related to the Group's right to consideration for Software and hardware Business because the rights are conditional upon the Group's fulfilment of certain future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

The increase in contract assets in 2024 was the result of the increase in the provision of maintenance and other services towards the end of the year.

At 31 December 2024, the contract assets that are expected to be settled within 12 months are RMB6,389,000 (2023: RMB24,242,000).

(b) Movements in contract liabilities:

	2024 RMB'000	2023 RMB'000
Balance at 1 January	**4,809**	2,085
Decrease in contract liabilities as a result of recognising revenue or other income during the year that was included in the contract liabilities at the beginning of the year	**(4,809)**	(2,085)
Increase in contract liabilities excluding amounts recognised as revenue during the year	**55,959**	4,809
Exchange adjustments	**999**	–
Balance at 31 December	**56,958**	4,809

18. CONTRACT ASSETS AND LIABILITIES (cont'd)

At 31 December 2024, the contract liabilities that are expected to be settled within 12 months are RMB56,958,000 (2023: RMB4,809,000).

The increase in contract liabilities in the current year was mainly due to increase in advance from customers.

19. TRADE AND OTHER RECEIVABLES

	Note	2024 RMB'000	2023 RMB'000
Trade receivables, net of loss allowance	(a)	**18,929**	9,888
Loan receivables from third parties	(b)	**–**	11,902
Less: Allowance for credit losses		**–**	(9,902)
Loan receivables, net of loss allowance		**–**	2,000
Prepayments made to suppliers, net of impairment	(c)	**159,019**	23,146
Deposits and other receivables, net of loss allowance	(d)	**4,595**	24,428
		163,614	47,574
		182,543	59,462

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

Notes:

(a) As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	**17,829**	6,590
Over 1 month but less than 3 months	**282**	2,118
Over 3 months but less than 1 year	**231**	261
Over 1 year but less than 2 years	**587**	919
	18,929	9,888

Trade receivables are generally due within 90 (2023: 90) days from the date of billing. Further details of the Group's credit policy are set out in note 29(a) to these consolidated financial statements.

19. TRADE AND OTHER RECEIVABLES (cont'd)

Notes: (cont'd)

(b) At 31 December 2023, except that loan receivables of RMB2,719,000 were unsecured, interest-bearing at 8% per annum and fully repaid in 2024, the remaining balance of RMB9,183,000 were unsecured, carried at fixed interest rates of ranging from 7% to 8% per annum and overdue, and these balance had been written off during the year ended 31 December 2024. All loan receivables were denominated in HK$.

Further details of the Group's credit policy are set out in note 29(a) to these consolidated financial statements.

(c) These prepayments are unsecured, interest-free and will be used to offset against future purchases from suppliers.

In respect of prepayments made to suppliers, individual credit evaluations are performed on all suppliers requiring prepayment over a certain amount. These evaluations focus on the suppliers' past history and take into account information specific to the suppliers as well as pertaining to the economic environment in which the suppliers operate.

(d) At 31 December 2023, deposit and other receivables include the advance of RMB8,248,000 made to other third parties are unsecured, interest-bearing at 7% per annum and repayable on demand. The advance was fully settled as at 31 December 2024.

Further details of the Group's credit policy are set out in note 29(a) to these consolidated financial statements.

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) An analysis of the balance of cash and cash equivalents:

	2024 **RMB'000**	2023 RMB'000
Cash on hand	**41**	71
Deposits on demand	**160,534**	177,734
Cash and bank deposits (note(i))	**160,575**	177,805

Note:

(i) Included in cash and bank deposits were approximately RMB56,810,000 (2023: approximately RMB92,126,000) placed in financial institutions in the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (cont'd)

(b) 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 statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000 (Note 14)	Interest-bearing borrowing and other overdrafts RMB'000 (Note 22)	Total RMB'000
At 1 January 2023	2,175	14,531	16,706
Change from financing cash flows:			
Proceeds from new interest-bearing borrowings	–	8,000	8,000
Repayment of interest-bearing borrowings	–	(3,000)	(3,000)
Repayment of lease liabilities	(1,955)	–	(1,955)
Interest expenses paid	(152)	(664)	(816)
Total changes from financing cash flows	(2,107)	4,336	2,229
Other changes:			
Finance costs	152	664	816
New lease liabilities	3,016	–	3,016
Exchange adjustments	11	285	296
Total other changes	3,179	949	4,128
At 31 December 2023	3,247	19,816	23,063

	Lease liabilities RMB'000 (Note 14)	**Interest-bearing borrowing and other overdrafts RMB'000 (Note 22)**	**Total RMB'000**
At 1 January 2024	**3,247**	**19,816**	**23,063**
Change from financing cash flows:			
Proceeds from new interest-bearing borrowings	**–**	**20,000**	**20,000**
Repayment of interest-bearing borrowings	**–**	**(8,000)**	**(8,000)**
Repayment of lease liabilities	**(2,542)**	**–**	**(2,542)**
Interest expenses paid	**(107)**	**(8,779)**	**(8,886)**
Total changes from financing cash flows	**(2,649)**	**3,221**	**572**
Other changes:			
Finance costs	**107**	**8,779**	**8,886**
New lease liabilities	**1,804**	**–**	**1,804**
Exchange adjustments	**35**	**436**	**471**
Total other changes	**1,946**	**9,215**	**11,161**
At 31 December 2024	**2,544**	**32,252**	**34,796**

21. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	**25,897**	1,196
Non-trade payables and accrued expenses	**19,235**	8,721
Other tax payables	**247**	711
	45,379	10,628

The credit period of trade payables is normally within 90 (2023: 90) days. As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month or on demand	**17,671**	243
Over 1 month to 3 months	**–**	235
Over 3 months to 6 months	**130**	600
Over 6 months to 1 year	**7,988**	–
Over 1 year	**108**	118
	25,897	1,196

22. INTEREST-BEARING BORROWINGS

	Notes	2024 RMB'000	2023 RMB'000
Loan from a third party, unsecured and unguaranteed	(a)	**4,698**	4,531
Loan from a former fellow subsidiary, unsecured and unguaranteed	(b)	**7,554**	7,285
Loans from banks, unsecured and unguaranteed	(c)	**–**	8,000
Loans from banks, unsecured and guaranteed	(d)	**20,000**	–
		32,252	19,816

Notes:

(a) At 31 December 2024, the loan from a third party is denominated in HK$, unsecured and unguaranteed, carried fixed interest rate of 6.5% (2023: 6.5%) per annum and is repayable within one year.

(b) At 31 December 2024, the loan from a former fellow subsidiary is denominated in HK$, unsecured and unguaranteed, carried fixed interest rate of 10% (2023: 10%) per annum.

(c) At 31 December 2023, the loans from banks are denominated in RMB, unsecured and unguaranteed, carried fixed interest rate of 3.6% per annum. The amount had been settled during 2024.

(d) At 31 December 2024, the loans from banks are denominated in RMB, approximately RMB10,000,000 were unsecured and are guaranteed by a director and approximately RMB10,000,000 were unsecured and are guaranteed by third parties, carried fixed interest rate of 2.7% and 3.6% respectively per annum and are repayable within one year.

23. DEFERRED TAXATION

(a) Deferred tax assets not recognised

	2024 RMB'000	2023 RMB'000
Before multiplied by the applicable tax rates:		
Deductible temporary differences	**83,202**	83,446
Tax losses	**79,358**	55,139
At end of the reporting period	**162,560**	138,585

No deferred tax asset has been recognised due to the unpredictability of future profit streams. Deductible temporary differences do not expire under current tax legislation. The expiry dates of unrecognised tax losses are as follows:

	2024 RMB'000	2023 RMB'000
Tax loss without expiry date	**47,487**	21,043
Tax losses expiring on 31 December 2024	**2,452**	7,417
Tax losses expiring on 31 December 2025	**7,339**	7,339
Tax losses expiring on 31 December 2026	**9,412**	9,412
Tax losses expiring on 31 December 2027	**3,315**	3,315
Tax losses expiring on 31 December 2028	**6,613**	6,613
Tax losses expiring on 31 December 2029	**2,740**	–
	79,358	55,139

24. SHARE CAPITAL AND RESERVES

(a) Share capital

	2024		2023	
	Number of shares	**Amount HK$**	Number of shares	Amount HK$
Authorised:				
Ordinary shares of HK$0.1 each				
At 1 January and 31 December	**10,000,000,000**	**1,000,000,000**	10,000,000,000	1,000,000,000
Issued and fully paid:				
Ordinary shares of HK$0.1 each				
At 1 January	**204,078,185**	**20,407,818**	81,631,274	8,163,127
Issue of rights shares (note (i))	**–**	**–**	122,446,911	12,244,691
Issue of placing shares (note (ii))	**40,810,000**	**4,081,000**	–	–
At 31 December	**244,888,185**	**24,488,818**	204,078,185	20,407,818
		RMB equivalent		RMB equivalent
		21,535,274		17,752,024

Notes:

(i) On 14 March 2023, the shareholders of the Company approved a rights issue on the basis of three rights shares for every two existing shares in issue and held on 24 March 2023 at a subscription price of HK$0.85 per rights share. The rights issue became unconditional on 18 April 2023. 122,446,911 rights shares with the par value of HK$0.1 each were allotted and issued on 25 April 2023. The net proceeds of approximately RMB90,653,000 (equivalent to approximately HK$102,653,000) were received.

(ii) On 13 June 2024, the Company allotted 40,810,000 ordinary shares of HK$0.1 each in the capital by way of placing at a placing price HK$2.09 per share. The Company raised approximately RMB78,193,000 (equivalent to approximately HK$84,347,000) (net of expenses).

24. SHARE CAPITAL AND RESERVES (cont'd)

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

(ii) Other reserve

The application of the other reserve is set up to deal with the changes in ownership interests in subsidiaries that do not result in a loss of control. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised in equity.

(iii) Share-based payment reserve

The share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to and other share-based payment transactions with employees of the Group and is dealt with in accordance with the accounting policy as set out in note 1(u) to these consolidated financial statements.

(iv) PRC statutory reserve

Transfers from retained profits to general reserve fund were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

The general reserve fund can be used to reduce previous year's losses, if any, and may be converted into paid-up capital provided that the balance of the general reserve fund after such conversion is not less than 25% of the PRC subsidiary's registered capital.

Each PRC wholly owned subsidiary is required to transfer a minimum of 10% of its net profit, as determined in accordance with the PRC accounting rules and regulations, to the general reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this fund must be made before distribution of dividends to equity shareholders.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from the hedges of the net investment in their foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(y).

24. SHARE CAPITAL AND RESERVES (cont'd)

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products and 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 shareholders 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 on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines net debt as interest-bearing borrowings less cash and capital is defined as the total equity. As at 31 December 2024, the Group had cash in excess of interest-bearing borrowings. It is the management's intention to restrict the ratio below 50% in the long run. To achieve this end, the Group may adjust the amount of dividends to be paid to shareholders, issue new shares or raise new debts.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

25. ACQUISITION FROM NON-CONTROLLING INTEREST

During the year ended 31 December 2023, the Group subscribed shares of an indirect subsidiary, Beijing Orient LegendMaker Software Development Co., Ltd, with an aggregate amount of RMB12,850,000. Since the Group has obtained further equity interest in Beijing Orient LegendMaker Software Development Co., Ltd, therefore, the Group recognised directly in equity of approximately RMB635,000 as other reserve, being the difference between the amount by which the non-controlling interests are adjusted of approximately RMB5,237,000 and the fair value of consideration received of approximately RMB4,602,000 and attributed it to the non-controlling interest of the Group.

26. SHARE OPTION

(a) Share option scheme

On 26 May 2016, with approval by the shareholders, the Company adopted a new share option scheme (the "Scheme") for a period of 10 years to replace the share option scheme approved on 18 December 2006 that would otherwise expire on 17 December 2016. The Company amended its terms at the 2023 AGM held on 23 June 2023. The amendments are to conform with the amendments to the Listing Rules related to share schemes of listed issuers which took effect from 1 January 2023.

Under the Scheme (as amended on 23 June 2023), the Company may grant options to directors and employees of the Company and the subsidiaries on the basis of their past contribution and potential contribution to the development and growth of the Group. The options will expire either after 10 years from the date of grant or upon the termination or the issuance of termination notice of the relevant grantee's employment with the Group.

26. SHARE OPTION (cont'd)

(a) Share option scheme (cont'd)

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of the shares in issue. Unless approved by the shareholders, any grant of option to an independent non-executive director or any of their associates in any 12-month period must not exceed 0.1% of the relevant class of the shares in issue.

The options granted may be accepted by a participant within 28 days from the date of such offer. A consideration of HK$1 is payable on acceptance of the offer of grant of an option. The exercise period of the share options granted is determinable by the directors of the Company and ends on a date which is not later than 10 years from the date of offer of the share options. The vesting period of the options granted under the Scheme shall not be shorter than 12 months from the date of acceptance of the offer. The Board may, however, at its absolute discretion, set any performance targets that must be achieved before the option can be exercised upon the grant of an option to a grantee.

The subscription price for shares payable on exercise of share options granted under the Scheme shall be a price determined by the directors of the Company, but shall in any event not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant.

Subject to earlier termination by the Company at general meeting, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption, i.e. 26 May 2016.

26. SHARE OPTION (cont'd)

(b) Movement in share option granted:

The following table discloses movements of the Company's share options held by directors and employees of the Group:

				Year ended 31 December 2024			
Name of category of participant	Date of grant	Exercise period	Exercise price at 1 January 2024 HK$	Outstanding at 1 January 2024	Adjustment	Outstanding at 31 December 2024	Exercise price at 31 December 2024 HK$
Directors in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	367,789	–	367,789	3.6356
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	3.6356	1,485,747	–	1,485,747	3.6356
				1,853,536	–	1,853,536	

				Year ended 31 December 2023			
Name of category of participant	Date of grant	Exercise period	Exercise price at 1 January 2023 HK$	Outstanding at 1 January 2023	Adjustment (note i)	Outstanding at 31 December 2023	Exercise price at 31 December 2023 HK$
Directors in aggregate	1 September 2020	1 December 2020 to 31 August 2030	4.126	324,070	43,719	367,789	3.6356
Employees in aggregate	1 September 2020	1 December 2020 to 31 August 2030	4.126	1,309,142	176,605	1,485,747	3.6356
				1,633,212	220,324	1,853,536	

(i) Upon completion of the rights issue on 25 April 2023, the number of outstanding share options has been adjusted from 1,633,212 to 1,853,536 and the exercise price has been adjusted from HK$4.126 per share to HK$3.6356 per share. Details are set out in the Company's announcement dated 24 April 2023.

No share options were exercised for the years ended 31 December 2024 and 2023. As at 31 December 2024 and 2023, all share options were exercisable.

27. RETIREMENT BENEFITS

As stipulated by the regulations of the PRC, the Group's subsidiaries in the PRC participate in basic defined contribution retirement schemes organised by the respective municipal governments under which they are governed. The contribution rates of the PRC subsidiaries employees administered by various municipal governments are ranged from 11% to 21% (2023: 13% to 21%).

All employees are entitled to retirement benefits equal to a fixed proportion of their salaries and benefits in kind prevailing at their normal retirement ages.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme 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 HK$30,000. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of retirement benefits associated with this scheme beyond the contributions described above.

28. RELATED PARTY TRANSACTIONS

Remuneration to key management personnel

	2024 **RMB'000**	2023 RMB'000
Short-term employee benefits	**8,935**	6,574
Post-employment benefits	**367**	391
	9,302	6,965

The remuneration to key management personnel includes directors whose remuneration is detailed in note 7 to the consolidated financial statements.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, foreign currency and equity price risks arises in the normal course of the Group's business.

The Group's exposure to those 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 obligation. The Group's credit risk is primarily attributable to trade and other receivables, contract assets and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis.

The Group assesses on a forward-looking basis the ECL associated with financial assets carried at amortised cost. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Group assesses the ECL for trade receivables and contract assets based on a simplified approach. The Group adopts a "three-stage" model for impairment based on changes in credit quality since initial recognition, to estimate the expected credit losses for financial assets measured at amortised cost (except for trade receivables and contract assets, which apply simplified approach).

The key definition of the three stages are summarised below:

Stage 1: For financial instruments with no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date, the expected credit losses are recognised at an amount equal to the portions of lifetime expected credit losses that result from default events possible within the next 12 months;

Stage 2: For financial instruments with significant increase in credit risk since initial recognition, but there is no objective evidence of impairment, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset;

Stage 3: For financial instruments in default at the end of the reporting period, lifetime expected credit losses are recognised and interest revenue is calculated on the net carrying amount of the asset.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

The Group is subject to credit risk exposure according to their relevant credit risk classification:

Gross carrying amount	Simplified approach RMB'000	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000
As at 31 December 2024				
Bank deposits	**–**	**160,534**	**–**	**–**
Contract assets	**6,389**	**–**	**–**	**–**
Trade and other receivables excluding deposits and prepayments	**37,964**	**–**	**4,438**	**25,804**
	44,353	**160,534**	**4,438**	**25,804**

Gross carrying amount	Simplified approach RMB'000	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000
As at 31 December 2023				
Bank deposits	–	177,734	–	–
Contract assets	24,242	–	–	–
Trade and other receivables excluding deposits and prepayments	22,153	–	30,322	34,328
	46,395	177,734	30,322	34,328

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

The following tables present the movement in the gross amount and the loss allowance for loan receivables and other receivables during the year:

	Stage 1		Stage 2		Stage 3		Total	
	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000
At 1 January 2024	–	–	30,322	5,385	34,328	34,308	64,650	39,693
New assets originated or purchased	1,968	–	–	–	–	–	1,968	–
Payments and assets derecognised	–	–	(26,836)	–	(403)	–	(27,239)	–
Transfers to Stage 2	(1,968)	–	1,968	–	–	–	–	–
Transfers to Stage 3	–	–	(1,062)	(57)	1,062	57	–	–
Credit quality related changes	–	–	–	(4,507)	–	622	–	(3,885)
Write-offs	–	–	–	–	(9,339)	(9,339)	(9,339)	(9,339)
Exchange adjustment	–	–	46	12	156	156	202	168
At 31 December 2024	–	–	4,438	833	25,804	25,804	30,242	26,637
Total ECL credited to profit and loss account for the year								(3,885)

	Stage 1		Stage 2		Stage 3		Total	
	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000	Gross amount RMB'000	ECL RMB'000
At 1 January 2023	–	–	28,745	5,399	36,714	36,673	65,459	42,072
New assets originated or purchased	29,720	–	–	–	–	–	29,720	–
Payments and assets derecognised	–	–	(26,347)	–	(4,501)	(4,501)	(30,848)	(4,501)
Transfers to Stage 2	(29,720)	–	29,720	–	–	–	–	–
Transfers to Stage 3	–	–	(1,815)	(523)	1,815	523	–	–
Credit quality related changes	–	–	–	504	–	1,313	–	1,817
Exchange adjustment	–	–	19	5	300	300	319	305
At 31 December 2023	–	–	30,322	5,385	34,328	34,308	64,650	39,693
Total ECL charged to profit and loss account for the year								1,817

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Cash and cash equivalents

It is expected that there is no significant credit risk associated with the cash and cash equivalents as they are placed with major banks which are located in the PRC and Hong Kong, which the management believes are of high credit quality.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidation statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and other receivables and contract assets

In respect of trade receivables and contract assets, 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. Customers of Software and Hardware Business are usually required to settle the payment based on the agreed schedule in according to the sales contract. Customers with balances overdue are normally requested to settle all outstanding balances before further service is provided. Normally, the Group does not obtain collateral from its customers.

The Group measures loss allowances on trade receivables and contract assets 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 past due status is not further distinguished between the Group's different customer bases.

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In respect of loan receivables and other receivables, management makes periodic individual assessment on the recoverability of receivables based on historical settlement records, past experience and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there have been a significant increase in credit risk of these amounts since initial recognition. The Group measures loss allowance at an amount equals to lifetime ECLs by considering the probability of default and loss given default rates of other debtors with similar credit risk with reference to the research by external credit rating companies, such as Moody's and Standard and Poor.

The expected loss rates of all receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. The Group has identified the GDP and CPI of the countries to be the most relevant factors and accordingly adjusts the loss rates based on expected changes in these factors.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Trade receivables

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:

	Expected loss rate %	Gross carrying amount RMB'000	Loss Allowance RMB'000
As at 31 December 2024			
Current (not past due)	**5.61**	**19,187**	**1,076**
Less than 3 months past due	**51.96**	**716**	**372**
Over 3 months to 1 year past due	**83.99**	**2,960**	**2,486**
Over 1 year to 2 years past due	**100.00**	**269**	**269**
Over 2 years past due	**100.00**	**14,832**	**14,832**
		37,964	**19,035**
As at 31 December 2023			
Current (not past due)	5.39	9,204	496
Less than 3 months past due	39.08	916	358
Over 3 months to 1 year past due	75.95	865	657
Over 1 year to 2 years past due	82.43	2,356	1,942
Over 2 years past due	100.00	8,812	8,812
		22,153	12,265

The Group does not hold any collateral over trade receivables as at 31 December 2024 and 2023.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**12,265**	7,867
Provision for loss allowance	**6,770**	4,398
At 31 December	**19,035**	12,265

As at 31 December 2024, the Group has recognised an allowance for credit losses on trade receivables amounted to approximately RMB19,035,000 (2023: approximately RMB12,265,000), of which approximately RMB6,770,000 (2023: approximately RMB4,398,000) were collectively determined to be impaired under ECLs during the year.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Loan receivables

Movements in the loss allowance account in respect of loan receivables during the year are as follows:

	2024	2023
	RMB'000	RMB'000
At 1 January	**9,902**	13,384
Exchange adjustments	**168**	305
(Decrease)/increase in loss allowance for the year	**(731)**	714
Amount written off	**(9,339)**	(4,501)
At 31 December	**–**	9,902

As at 31 December 2023, the Group has recognised an allowance for credit losses on loan receivables amounted to approximately RMB9,902,000 of which approximately RMB9,183,000 was determined as credit impaired. During the year ended 31 December 2024, the Group determined to write-off approximately RMB9,339,000 due to the Group did not plan to renew the money lender license since then.

Contract assets

The movement in the loss allowance of contract assets during the year is as follows:

	2024	2023
	RMB'000	RMB'000
At 1 January	**1,306**	207
(Decrease)/increase in loss allowance for the year	**(948)**	1,099
At 31 December	**358**	1,306

As at 31 December 2024, the Group has recognised an allowance for credit losses on contract assets amounted to approximately RMB358,000 (2023: approximately RMB1,306,000), of which approximately RMB948,000 (2023: approximately RMB1,099,000 was impaired) was reversal during the year.

An analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(a) Credit risk (cont'd)

Trade and other receivables and contract assets (cont'd)

Deposits and other receivables

The movement in the loss allowance account in respect of deposits and other receivables during the year is as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	**29,791**	28,688
(Decrease)/increase in loss allowance for the year	**(3,154)**	1,103
At 31 December	**26,637**	29,791

As at 31 December 2024, the Group has recognised an allowance for credit losses on deposits and other receivables amounted to approximately RMB26,637,000 (2023: approximately RMB29,791,000) of which approximately RMB3,154,000 (2023: approximately RMB1,103,000 was impaired) were individually determined to be reversal under ECLs during the year.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(b) Liquidity risk

The individual subsidiaries 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, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Contractual maturities of financial liabilities

The maturity profile of the Group's non-derivative financial liabilities at end of the reporting period, based on contractual discounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at end of the reporting period) are summarised below:

	Carrying Amount RMB'000	**Contractual undiscounted cash flow RMB'000**	**Within 1 year or on demand RMB'000**	**More than 1 year but less than 5 years RMB'000**
As at 31 December 2024				
Non-derivative financial liabilities				
Interest-bearing borrowings	**32,252**	**33,942**	**33,942**	**–**
Lease liabilities	**2,544**	**2,704**	**1,304**	**1,400**
Trade and other payables	**45,379**	**45,379**	**45,379**	**–**
	80,175	**82,025**	**80,625**	**1,400**

	Carrying Amount RMB'000	Contractual undiscounted cash flow RMB'000	Within 1 year or on demand RMB'000	More than 1 year but less than 5 years RMB'000
As at 31 December 2023				
Non-derivative financial liabilities				
Interest-bearing borrowings	19,816	21,127	21,127	–
Lease liabilities	3,247	3,346	2,464	882
Trade and other payables	10,628	10,628	10,628	–
	33,691	35,101	34,219	882

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(c) Interest rate risk

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.

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises primarily from cash and cash equivalents, loan receivables and interest-bearing borrowings issued at variable rates and at fixed rates which expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate profile

The interest rate profile of the Group's interest-bearing financial instruments at the end of each reporting period is as follows:

	2024		2023	
	Effective weighted average interest rates % (annual)	**RMB'000**	Effective weighted average interest rates % (annual)	RMB'000
Fixed rate instruments				
Interest-bearing borrowings	**5.24**	**(32,252)**	6.62	(19,816)

(ii) Sensitivity analysis

The directors of the Company consider the Group's exposure to future cash flow interest rate risk is minimal taking into account no variable interest-bearing borrowing as at 31 December 2024 and 31 December 2023. Accordingly, no sensitivity analysis on interest rate risk is presented.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign currency risk

The loan from a third party and former fellow subsidiary amounted to approximately RMB12,252,000 (2023: RMB7,285,000) is denominated in Hong Kong Dollars ("HKD") which are different from the functional currency of the Group entities, i.e. RMB, which expose the Group to currency risk. The Group currently does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2024, if RMB had weakened/strengthened by 5% against HKD and USD with all other variables held constant, the Group's profit after tax for the year would have been approximately RMB612,000 lower/higher, arising mainly as a result of the foreign exchange differences on borrowings denominated in HKD. Differences resulting from the translation of the financial statements of foreign operations into the group's presentation currency are excluded.

At 31 December 2023, if RMB had weakened/strengthened by 5% against HKD and USD with all other variables held constant, the Group's loss after tax for the year would have been approximately RMB364,000 higher/lower, arising mainly as a result of the foreign exchange differences on borrowings denominated in HKD. Differences resulting from the translation of the financial statements of foreign operations into the group's presentation currency are excluded.

(e) Equity price risk

The Group is exposed to equity price risk arising from financial assets at FVTPL. The sensitivity analysis has been determined based on the exposure to equity price risk.

At end of the reporting period, if the fair value had been 52% (2023: 100%) higher or lower while all other variables were held constant, the Group's net profit before tax would increase or decrease by RMB67,387,000 (2023: RMB30,030,000) as a result of changes in fair value of investments. The Group's sensitivity to equity price has changed significantly during the year mainly due to more volatile price fluctuation.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the equity prices or other relevant risk variables had occurred at end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the equity prices or the relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant equity price or the relevant risk variables over the period until the end of the next annual reporting period.

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent equity price risk because the exposure at the end of each reporting period does not reflect the exposure during the year.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(f) Fair value measurement

(i) Financial assets and liabilities 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 the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 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.

(a) Assets measured at fair value

	31 December 2024 RMB'000	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**
Financial assets at FVTPL				
– Listed equity securities	**129,591**	**129,591**	**–**	**–**

	31 December 2023 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets at FVTPL				
– Listed equity securities	30,078	30,078	–	–

During the years ended 31 December 2024 and 2023, there was no transfer between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2024 and 2023.

29. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont'd)

(g) Financial instruments by category

The carrying amounts of each of the categories of financial instruments at each of the reporting date are as follows:

	2024 RMB'000	2023 RMB'000
Financial assets		
– Financial assets measured at amortised cost	**183,109**	212,691
Financial liabilities		
– Financial liabilities measured at amortised cost	**79,926**	32,980

30. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group acquired and disposed several listed securities which are listed on NASDAQ or New York Stock Exchange. These acquisitions and/or disposals of listed securities constituted various discloseable transactions, major transactions or very substantial disposal of the Company under Chapter 14 of the Listing Rules.

The Company proposes to put forward ordinary resolutions at an extraordinary general meeting (the "EGM") to be convened and held for the Shareholders to consider and, if thought fit, approve the ratification of the acquisitions and disposals of listed securities.

In addition, the Company proposed to seek for (i) a specific mandate to authorize and empower the board of directors to carry out acquisitions of listed securities in specific investment targets during the year of 2025, (ii) a specific mandate to authorize and empower the board of directors to carry out disposal(s) of the listed securities in specific investment targets during the year of 2025; and (iii) a specific mandate to authorize and empower the board of directors to carry out acquisitions of cryptocurrency for a period of 12 months from the date on which the relevant ordinary resolutions are duly passed by the shareholders at the EGM.

31. COMPARATIVE FIGURES

Certain comparative figures are reclassified to conform to the current year's presentation.

31. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES

(a) Company-level statement of financial position

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Investments in subsidiaries		**12,861**	12,861
Due from subsidiaries	31(c)	**129,067**	101,771
		141,928	114,632
Current assets			
Due from subsidiaries	31(d)	**156,573**	90,475
Deposits and other receivables		**–**	199
Bank balances and cash		**9,245**	30,230
		165,818	120,904
Current liabilities			
Other payables and accrued expenses		**3,234**	3,422
Interest-bearing borrowings		**4,698**	4,531
		7,932	7,953
Net current assets		**157,886**	112,951
NET ASSETS		**299,814**	227,583
Equity and reserves			
Share capital	24(a)	**21,535**	17,752
Reserves	31(b)	**278,279**	209,831
TOTAL EQUITY		**299,814**	227,583

This statement of financial position was approved and authorised for issue by the Board of Directors on 21 March 2025 and signed on its behalf by

Li Zhuoyang
Director

Yu Hui
Director

31. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION AND RESERVES (cont'd)

(b) Company-level reserves

Details of the changes in the Company's individual components of reserves between the beginning and the end of the year are set out below:

	Share premium RMB'000	Exchange reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	564,253	33,163	2,291	(508,041)	91,666
Profit for the year	–	–	–	33,937	33,937
Other comprehensive income:					
Exchange difference on translation of financial statements of overseas operations	–	4,388	–	–	4,388
Total comprehensive loss for the year	–	4,388	–	33,937	38,325
Transactions with owners:					
Contributions and distributions:					
Issue of rights shares, net of expenses (note 24(a)(i))	79,840	–	–	–	79,840
Total transactions with owners	79,840	–	–	–	79,840
At 31 December 2023 and 1 January 2024	644,093	37,551	2,291	(474,104)	209,831
Loss for the year	**–**	**–**	**–**	**(14,663)**	**(14,663)**
Other comprehensive income:					
Exchange difference on translation of financial statements	**–**	**8,701**	**–**	**–**	**8,701**
Total comprehensive income/ (expense) for the year	**–**	**8,701**	**–**	**(14,663)**	**(5,962)**
Transactions with owners:					
Contributions and distributions:					
Issue of placing shares, net of expenses (note 24(a)(ii))	**74,410**	**–**	**–**	**–**	**74,410**
Total transactions with owners	**74,410**	**–**	**–**	**–**	**74,410**
At 31 December 2024	**718,503**	**46,252**	**2,291**	**(488,767)**	**278,279**

(c) The amounts due from subsidiaries are unsecured, non-interest bearing and the settlement of which is neither planned nor likely to occur in the foreseeable future.

(d) The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demands.