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China e-Wallet Payment Group Limited

中國錢包支付集團有限公司*

(a company incorporated in Bermuda with limited liability)

(Stock Code: 802)

PRELIMINARY RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “Board”) of directors (the “Directors”) of China e-Wallet Payment Group Limited (the “Company”) announced the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 together with comparative figures for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	4	89,094	101,924
Cost of sales		(48,236)	(57,652)
Gross profit		40,858	44,272
Other revenue and gains		788	561
Unrealised (loss)/gain on financial assets at fair value through profit or loss (“FVTPL”), net		(5,704)	14,406
Realised (loss)/gain on financial assets at FVTPL, net		(63)	1,799
Impairment on property, plant and equipment		–	(2,196)
Allowance for expected credit losses (“ECLs”) on trade receivables, bond receivables and deposits, and other receivables		(23,068)	(8,807)
Selling and administrative expenses		(80,127)	(80,887)
Loss from operations	5	(67,316)	(30,852)
Finance costs	6	(1,716)	(1,956)
Loss before taxation		(69,032)	(32,808)
Taxation	7	329	107
Loss for the year		(68,703)	(32,701)
Loss for the year attributable to:			
Owners of the Company		(67,462)	(32,370)
Non-controlling interests		(1,241)	(331)
		(68,703)	(32,701)
		HK cents	HK cents (restated)
Loss per share			
– Basic and diluted	8	3.59	(5.77)

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year	<u>(68,703)</u>	<u>(32,701)</u>
Other comprehensive loss for the year, net of tax:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>(56)</u>	<u>(5)</u>
	<u>(56)</u>	<u>(5)</u>
Total comprehensive loss for the year	<u><u>(68,759)</u></u>	<u><u>(32,706)</u></u>
Total comprehensive loss for the year attributable to:		
Owners of the Company	(67,518)	(32,375)
Non-controlling interests	<u>(1,241)</u>	<u>(331)</u>
	<u><u>(68,759)</u></u>	<u><u>(32,706)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		813	1,091
Bond receivables		2,963	4,943
Goodwill		4,686	4,686
Intangible assets		5,817	12,463
		<u>14,279</u>	<u>23,183</u>
Current assets			
Financial assets at FVTPL		43,977	50,901
Bond receivables		5,141	–
Trade receivables	10	40,031	32,778
Deposits, prepayments and other receivables		289,648	353,599
Cash and bank balances		6,656	6,545
		<u>385,453</u>	<u>443,823</u>
Total assets		<u>399,732</u>	<u>467,006</u>
CAPITAL AND RESERVES			
Share capital		6,035	120,709
Reserves		358,033	303,979
Equity attributable to owners of the Company		<u>364,068</u>	<u>424,688</u>
Non-controlling interests		(23)	1,318
Total equity		<u>364,045</u>	<u>426,006</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2022*

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Bond payable		14,515	20,000
Deferred tax liabilities		1,456	3,117
		15,971	23,117
Current liabilities			
Trade payables	<i>11</i>	2,215	2,363
Accruals and other payables		11,713	11,064
Tax payables		5,788	4,456
		19,716	17,883
Total liabilities		35,687	41,000
Total equity and liabilities		399,732	467,006
Net current assets		365,737	425,940
Total assets less current liabilities		380,016	449,123
Net assets		364,045	426,006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. GENERAL INFORMATION

China e-Wallet Payment Group Limited (the “**Company**”) was incorporated in Bermuda an exempted company with limited liability under Companies Act of Bermuda. The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 626-629, Corporation Park, 11 On Lai Street, Siu Lek Yuen, Sha Tin, New Territories, Hong Kong respectively. The Company’s shares are listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to nearest thousand except otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021
Annual Improvements Project to IFRS standards 2018-2020	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 2018–2020

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

3. ADOPTION OF NEW AND REVISED IFRSs (CONTINUED)

New and revised IFRSs in issue but not yet effective

The Group has not applied any new standard, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2022. The new standard, amendments to standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 17 – Insurance contracts	1 January 2023
Amendments to IFRS 16 – Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The directors of the Company, chief operating decision-maker (the “**CODM**”) has been identified as the key management of the Group. The CODM reviews the Group’s internal reporting process in order to assess performance and allocate resources.

The CODM considers the business from both a business and geographic perspective for the purposes of resource allocation and assessment focuses on revenue analysis. From business perspective, CODM determines that the Group has only one operating and reportable segment, being the internet and mobile’s application and related accessories operating segments. No other discrete financial information is provided other than the Group’s result and financial position as a whole.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Group's revenue from its major products and services were as follow:

Disaggregation of revenue from contracts with customers

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of IFRS 15:		
Mobile's application development and settlement application services	89,094	100,924
Computer and mobile related electronic products	–	1,000
	<u>89,094</u>	<u>101,924</u>
Revenue recognition:		
At a point in time	<u>89,094</u>	<u>101,924</u>

Geographical information

The Group operates in two principal geographical areas – Hong Kong and the People's Republic of China (“PRC”) (excluding Hong Kong). The Group's revenue from end customers is divided into following geographical area and the Group's non-current assets by geographical location:

	Revenue		Non-current assets	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	4,306	7,313	13,580	17,819
The PRC	84,788	94,611	–	–
Others	–	–	699	5,364
	<u>89,094</u>	<u>101,924</u>	<u>14,279</u>	<u>23,183</u>
	Assets		Liabilities	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong	396,810	445,492	24,588	30,076
The PRC	700	696	238	269
Others	2,222	20,818	10,861	10,655
	<u>399,732</u>	<u>467,006</u>	<u>35,687</u>	<u>41,000</u>

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Information about major customer

Revenue from major customers, accounted for the 10% or more of the Group's revenue, are set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	–	14,656

5. LOSS FROM OPERATIONS

Loss from operations is stated after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Depreciation of property, plant and equipment	278	1,039
Amortisation of intangible assets	6,646	6,646
Impairment on property, plant and equipment	–	2,196
– Auditor's remuneration	630	630
Short term lease payment	751	512
Staff costs, including directors:		
– Share based payment expenses	6,898	10,960
– Salaries and allowances, including directors and chief executive officer's remuneration	2,063	5,096
– Retirement benefit schemes contribution	31	149
	<u>8,992</u>	<u>16,205</u>

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest expense on bond payable	<u>1,716</u>	<u>1,956</u>

7. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
– The PRC	1,332	1,554
Reversal of temporary differences in the current year	<u>(1,661)</u>	<u>(1,661)</u>
	<u>(329)</u>	<u>(107)</u>

8. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the Group's loss attributable to owners of the Company of approximately HK\$67,462,000 (2021: HK\$32,370,000 and weighted average number of ordinary shares in issue during the year ended 31 December 2022 of 1,880,086,969 (2021: 561,025,401 (restated))).

The basic and diluted loss per share are the same for the years ended 31 December 2022 and 2021 as the effect of the share options does not have any dilutive effect. For the year ended 31 December 2021, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted to take into effect of the share consolidation with effect from 19 July 2022 and as if it had been effective on 1 January 2021.

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2022 (2021: Nil).

10. TRADE RECEIVABLES

An aged analysis of the trade receivables, arising from contracts with customers within the scope of IFRS 15 as at the end of the reporting period, based on the invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 30 days	16,538	18,483
31 to 60 days	5,532	6,320
61 to 90 days	4,574	3,117
91 to 180 days	3,935	3,728
Over 180 days	<u>35,003</u>	<u>14,456</u>
	65,582	46,104
Less: Allowance for ECLs	<u>(25,551)</u>	<u>(13,326)</u>
	<u>40,031</u>	<u>32,778</u>

The credit terms of trade receivables are generally on 30-180 days (2021: 30-180 days) during the year ended 31 December 2022.

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 30 days	196	258
31 to 60 days	–	560
61 to 90 days	13	686
Over 90 days	2,006	859
	<hr/> 2,215 <hr/>	<hr/> 2,363 <hr/>

The credit terms of trade payables are generally 0-60 days (2021: 0-60 days).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

“Internet and Mobile’s Application and Related Accessories” is the Group’s main business. The Group specialised in providing programming and advertising solutions in mobile platform with branch office in Hong Kong, Shenzhen and Shanghai. The programming teams of the Group have extensive experience on developing mobile application and interactive virtual reality technologies for well-known companies in Hong Kong and overseas. The Group is also engaged in the business of distribution of computer-related and mobile-related electronic products and accessories.

The Group believes that the business of “Internet and Mobile’s Application and Related Accessories” as a key growth area, is in-line with the growth of the mobile and gaming industry and in particular in application development for merchants, online gaming, interactive virtual reality experience and utilities applications for mobile platform and mass advertising.

The Company already procured hundreds of merchants to participate in its settlement application services (“Settlement Services”). In order to capture its market share and procure sizable merchants, the Company would pay inducement deposits to these merchants. The Company would derive marketing plan with these merchants in order to give incentives by way of E-coupons or discounts to their customers who use our designated settlement application services and the inducement deposits would be utilized accordingly. In return, the Company would share the transaction fee from the Settlement Services, receive rebate income and application development income from these merchants. Since 2018, the Group expanded its settlement application services through referring merchants to Alipay.com Co., Ltd. to use the Alipay services.

Dividend

The Board maintains a cautious view and, having regarded to the requirement to retain cash, has decided not to recommend a dividend in respect of the year ended 31 December 2022 (2021: HK\$Nil).

Financial review

Revenue

The revenue of the Group was mainly attributable to the application development income generated by efforts in diversification into settlement application market. For the year ended 31 December 2022, the Group reported a total revenue of approximately HK\$89.1 million representing a decrease of 12.6% compared to approximately HK\$101.9 million in the same period in 2021.

Gross profit

Gross profit in 2022 was HK\$40.9 million which was a decrease, as compared to a gross profit of HK\$44.3 million in the same period of 2021.

Selling and administrative expenses

Selling and administrative expenses, representing 89.9% (2021: 79.4%) of the Group's revenues for the year, mainly included the expenses on utilization of inducement deposits as incentives by giving E-coupons or discount to customers for Settlement Services of approximately HK\$58.9 million (2021: HK\$55.1 million) and share-based payment expenses of approximately HK\$6.9 million (2021: HK\$11.0 million), decreased by approximately HK\$0.8 million from approximately HK\$80.9 million in 2021 to approximately HK\$80.1 million in the same period in 2022. The decrease in selling and administrative expenses are in line with the decrease in revenue of the Group.

Loss for the year

The Group's loss for the year was approximately HK\$68.7 million compared to loss of approximately HK\$32.7 million in the same period in 2021. The increase of net loss was mainly attributable to the decrease of sale revenue, the unrealised loss on FVTPL of the Group and the increase of allowance for ECLs on trade receivables, bond receivables and deposits, prepayment and other receivables.

Loss attributable to owners of the Company

Loss attributable to owners of the Company increased from a loss of approximately HK\$32.4 million in 2021 to a loss of approximately HK\$67.5 million in the same period of 2022.

Loss attributable to the non-controlling interests

The loss attributable to the non-controlling interests of approximately HK\$1.2 million for the year ended 31 December 2022 (2021: HK\$0.3 million).

Review of the Group's financial position

Liquidity and capital resources

The Group has internal budgeting systems in place to ensure that if and when cash is committed to fund major expenditures there is sufficient cash flow to maintain the Group's daily operations and meet all of its contractual obligations.

The Group funds its operations with revenue from its operating activities. The Group also has cash inflows from interest income and collections. Key drivers in the Group's sources of cash are primarily the Group's sales, and their inflow depends on the Group's ability to collect receivables. There have been no material changes in the Group's underlying drivers during the period under review.

There were no assets charged or pledged as at 31 December 2022 (2021: HK\$ Nil).

The Group had cash and cash equivalents of approximately HK\$6.7 million as at 31 December 2022 compared to approximately HK\$6.5 million as at 31 December 2021.

Capital commitments

The Group had no capital commitments as at 31 December 2022 (2021: HK\$Nil).

Gearing ratio

As at 31 December 2022, the Group's gearing ratio was approximately 9.8%, as compared to 9.7% as at 31 December 2021. The gearing ratio was calculated as the Group's total liabilities divided by its total capital. The total liabilities and total capital of the Group were approximately HK\$35.7 million (2021: HK\$41.0 million) and HK\$364.1 million (2021: HK\$424.7 million) as at 31 December 2022.

Contingent liabilities

As at 31 December 2022, the Group had no contingent liabilities (2021: HK\$Nil). The Company has not been acted as a guarantor of its subsidiaries to secure any interest-bearing borrowings.

Foreign exchange risk management

Certain of the Group's bank balances are denominated in United States Dollars and Renminbi, each of which is a currency other than the functional currency of the relevant group entities, which exposes it to foreign currency risk. The Group has not used any financial instruments to hedge against this currency risk. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As at 31 December 2022, in addition to the Directors, there were approximately 45 employees (2021: 58) of the Group stationed in the Group's offices in Hong Kong and the PRC. Total staff costs for the year ended 31 December 2022 were approximately HK\$9.0 million (which included share-based payment of approximately HK\$6.9 million), compared with approximately HK\$16.2 million in 2021.

The Group offers training and development courses for its employees to enhance the staff's working capabilities. Remuneration packages are linked to individual performance, the Group's business performance, and taking into consideration of the industry practices and market conditions, reviewed on an annual basis. Directors' remuneration is determined with reference to his duties and responsibilities with the Company, the Company's standards for emoluments and market conditions. Share options are also granted to eligible employees based on individual's performance as well as the Group's performance.

MANAGEMENT OUTLOOK

The Group had continued the efforts to consolidate and realign its businesses to enable the Group to achieve improvements in its financial position. The Group will utilise its existing technical knowledge and programmers to diversify its income stream and will continue to work towards, attaining a stable platform for sustainability and basis for any potential growth.

By leveraging the knowledge on its interactive virtual reality programming on different business sectors, such as animation and culture, the Group obtained the license from the largest Japanese animation studio to conduct an interactive animation exhibition in Hong Kong in 2019. The Group will continue to explore the potential of this business opportunities and utilize its resource with prudence in the future.

CAPITAL REORGANISATION

Pursuant to a special resolution passed by the shareholders of the Company at the special general meeting held on 11 August 2022, with effective from 15 August 2022, (i) every five issued and unissued ordinary shares of nominal value of HK\$0.04 each (the “Existing Share”) in the share capital of the Company be consolidated into one issued and unissued ordinary share of nominal value of HK\$0.20 each (the “Consolidated Share”) (the “Share Consolidation); (ii) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation be rounded down to a whole number by cancelling any fraction in the total number of issued Consolidated Shares arising from the Share Consolidation; (iii) the nominal value of all issued Consolidated Shares be reduced from HK\$0.20 each to HK\$0.01 each (the “New Share”) by cancelling the capital paid-up thereon to the extent of HK\$0.19 per Consolidated Share in issue (the “Capital Reduction”); (iv) to subdivide every authorised but unissued Consolidated Share of par value HK\$0.20 each into 20 new shares of par value of HK\$0.01 each; and (v) the credit arising from the Capital Reduction be credited to the contributed surplus account of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

The total number of issued share capital of the Company as at 31 December 2022 was 603,545,948 ordinary shares (2021: 3,017,729,744 shares).

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2022.

SIGNIFICANT INVESTMENTS

As at 31 December 2022, the Group had financial assets at FVTPL with a market value of approximately HK\$43.9 million. Details of the significant investments in the portfolio under financial assets at FVTPL are as follows:

Name of investee	Fair value gain/(loss) HK\$'000	Fair value as at 31 December 2022 HK\$'000	Percentage to	Fair value as at 31 December 2021 HK\$'000
			the Group's total assets as at 31 December 2022 %	
WLS Holdings Limited ("WLS")	3,677	14,084	3.5%	10,357
China Investment and Finance Group Limited ("CIF")	(3,528)	8,414	2.1%	11,942
Asia Grocery Distribution Limited ("AGD")	2,870	5,412	1.4%	2,535
Milan Station Holdings Limited ("MSH")	(2,083)	4,251	1.1%	6,335
Luxxu Group Limited ("LGL")	(1,617)	3,747	0.9%	5,364
Harbour Digital Asset Capital Limited ("HDA")	(1,734)	3,352	0.8%	5,086
Sub-total	(2,415)	39,260	9.8%	41,619
Other listed equity securities	(3,289)	4,717	1.2%	9,282
Total	(5,704)	43,977	11.0%	50,901

Note

- WLS is engaged in the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business, securities investment business and assets management business. Based on WLS's interim result for the six months ended 31 October 2022, turnover and loss of WLS were approximately HK\$80.1 million and HK\$21.2 million respectively.
- CIF is engaged in securities trading and investment holding. Based on CIF's interim result for the six months ended 30 September 2022, revenue and profit of CIF were approximately HK\$1.9 million and HK\$12.4 million respectively.
- AGD is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on AGD's interim result for the six months ended 30 September 2022, turnover and profit of AGD were approximately HK\$137.4 million and HK\$3.4 million.
- MSH is engaged in retailing of handbags, fashion accessories and embellishments and spa and wellness products. Based on MSH's annual result for the year ended 31 December 2022, turnover and loss of MSH were approximately HK\$233.3 million and HK\$45.2 million respectively.
- LGL is engaged in the manufacture and sales of own-branded watches and jewellerys, OEM watches and third-party watches. Based on LGL's interim result for the six months ended 30 June 2022, turnover and loss of LGL were approximately RMB53.4 million and RMB16.7 million respectively.
- HDA is engaged in securities trading and investment holding. Based on HDA's interim result for the six months ended 30 June 2022, revenue and loss of HDA were approximately HK\$1.06 million and HK\$42.2 million respectively.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, as at 31 December 2022, there was no investment held by the Group the value of which was more than 1% of the total assets of the Group.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 of the Group as set out in the announcement have been agreed by the Group's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on the announcement.

REVIEW BY AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 28 June 2004 with written terms of reference, which was revised on 18 December 2015, in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Audit Committee is comprised of three members, namely Mr. Kwan King Wah as chairman with Mr. Cheng Ruixiong and Ms. Lo Suet Lai, both independent non-executive Directors as members. The arrangement of the Audit Committee complied with the Rule 3.21 of the Listing Rules.

The Audit Committee has reviewed with the management and the Company's independent external auditors, McMillan Woods (Hong Kong) CPA Limited, the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting systems including the review of the consolidated financial statements for the year ended 31 December 2022, which have been audited by McMillan Woods (Hong Kong) CPA Limited.

CORPORATE GOVERNANCE CODE

In connection with the listing of the Company on the Stock Exchange in February 2009, the Company adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules as its additional code on corporate governance practices on 2 February 2009. The Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2022.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 December 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited and the webpage of the Company (www.hklistco.com/802), respectively. The annual report 2022 will also be published on the aforesaid websites in due course.

By Order of the Board of
China e-Wallet Payment Group Limited
Li Jinglong
Executive Director

Hong Kong, 31 March 2023

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Li Jinglong
Zhang Ligong
Wang Zhongling

Independent Non-executive Directors:

Cheng Ruixiong
Kwan King Wah
Lo Suet Lai