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Cinese International Group Holdings Limited

富盈環球集團控股有限公司

(incorporated in Ontario, Canada and continued in the Cayman Islands with limited liability)

(Stock Code: 1620)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Cinese International Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Year**”), together with the comparative figures for the year ended 31 December 2022.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2023	2022	Increase/ (decrease)
	HK\$ million	HK\$ million	
Revenue	103.5	45.8	126.0%
Gross profit	44.2	22.5	96.4%
Gross profit margin (%)	42.7	49.2	(13.2%)
Profit/(loss) for the year	2.9	(13.8)	121.0%
Basic and diluted earnings/(loss) per share (HK cents)	0.2	(1.2)	116.7%
Proposed final dividend per share (HK cents)	—	—	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	Year ended 31 December	
		2023 HK\$'000	2022 HK\$'000
Revenue	3	103,510	45,777
Cost of sales	5	(59,312)	(23,250)
Gross profit		44,198	22,527
Other income	4	548	1,634
Other (losses)/gains, net	4	(1,402)	2,477
Reversal of expected credit losses (“ECLs”) allowance on financial assets		1,171	3,962
Selling expenses	5	(2,959)	(3,604)
Administrative expenses	5	(36,335)	(41,234)
Operating profit/(loss)		5,221	(14,238)
Finance income	6	177	6
Finance costs	6	(247)	(291)
Finance costs, net		(70)	(285)
Share of net losses of joint venture		—	(352)
Profit/(Loss) before income tax		5,151	(14,875)
Income tax (expense)/credit	7	(2,234)	1,073
Profit/(Loss) for the year attributable to owners of the Company		2,917	(13,802)
Other comprehensive expenses			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
– Currency translation differences		1,306	(3,125)
<i>Item that will not be reclassified to profit or loss:</i>			
– Change in fair value of equity instrument at fair value through other comprehensive income		(1,757)	220
Other comprehensive expenses for the year		(451)	(2,905)
Total comprehensive income/(expenses) for the year attributable to owners of the Company		2,466	(16,707)
Basic and diluted earnings/(loss) per share (HK Cents)	8	0.2	(1.2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		As at 31 December 2023 HK\$'000	As at 31 December 2022 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		602	1,380
Intangible assets		—	1
Right-of-use assets		2,664	2,936
Financial asset at fair value through profit or loss (“FVTPL”)		1,498	—
Financial asset at fair value through other comprehensive income (“FVTOCI”)		1,687	3,187
Deferred income tax assets		28,161	41,778
		<u>34,612</u>	<u>49,282</u>
Current assets			
Trade receivables	10	32,706	2,158
Prepayments, deposits and other receivables		47,757	36,005
Financial asset at FVTPL		—	1,426
Income tax recoverable		296	299
Cash and cash equivalents		26,433	43,780
		<u>107,192</u>	<u>83,668</u>
Total assets		<u><u>141,804</u></u>	<u><u>132,950</u></u>
EQUITY			
Equity attributable to the owners of the Company			
Share capital	11(a)	120	120
Share premium		88,248	88,248
Other reserve	11(b)	(41,256)	(41,256)
Financial asset at FVTOCI reserve	11(c)	(1,500)	257
Exchange reserve		6,698	5,392
Statutory reserve	11(d)	1,077	—
Accumulated losses		(3,105)	(4,945)
Total equity		<u><u>50,282</u></u>	<u><u>47,816</u></u>

		As at 31 December 2023	As at 31 December 2022
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,765	2,379
Loan from government		2,541	3,255
		<u>4,306</u>	<u>5,634</u>
Current liabilities			
Trade payables	12	15,273	12
Accruals and other payables		58,573	64,691
Contract liabilities		87	95
Lease liabilities		2,058	1,719
Loan from government		798	755
Income tax payables		427	12,228
Amount due to immediate holding company		10,000	—
		<u>87,216</u>	<u>79,500</u>
Total liabilities		<u><u>91,522</u></u>	<u><u>85,134</u></u>
Total equity and liabilities		<u><u>141,804</u></u>	<u><u>132,950</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Cinese International Group Holdings Limited (formerly known as CTEH Inc.) (the “**Company**”) was incorporated in Ontario, Canada on 18 August 2017 and continued in the Cayman Islands from 20 October 2017 as an exempted company with limited liability. The registered address of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman, KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are engaged in air ticket distribution, travel business process management, travel products and services and other business process management (the “**Business**”) in Canada, the United States (the “**U.S.**”) and the People’s Republic of China (the “**PRC**”).

The Group operates under the licenses issued by the International Air Transport Association (“**IATA**”), the Travel Industry Council of Ontario (“**TICO**”), the Québec L’Office de la protection du consommateur (“**OPC**”) and the Business Practices & Consumer Protection Authority of British Columbia in Canada, which require the Group to comply with certain industry regulations.

The Company is a subsidiary of Tomorrow Education Technology Limited, a company incorporated in the British Virgin Islands (“**BVI**”). The directors of the Company consider the ultimate holding company to be Tomorrow Education Holding Limited, a company incorporated in the BVI.

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) as issued by International Accounting Standards Board (“**IASB**”) and related interpretations and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of financial assets measured at FVTPL and financial asset measured at FVTOCI which are carried at fair value.

The preparation of consolidated financial statements of the Group in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(i) Accounting policies newly applied by the Group

During the year, the Group has applied the following accounting policies which became relevant to the Group.

Employee benefits

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs, subject to a certain ceiling, as stipulated by the relevant regulations.

(ii) New or revised standards adopted by the Group

A number of new or revised standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

Amendments to International Accounting Standards ("IAS") 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules
IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts

The adoption of these new or revised standards did not have any significant impact on the Group's consolidated financial statements.

(iii) Potential impact from new guidance on accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong issued by the HKICPA

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("MPF") scheme to offset severance payment ("SP") and long service payments ("LSP") (the "Abolition"). Subsequently, the Government of Hong Kong Special Administrative Region announced that the Abolition will take effect on 1 May 2025 (the "Transition Date").

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.

- The pre-transition LSP/SP is calculated using the last month’s salary immediately preceding the Transition Date, instead of using the salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer’s mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published “*Accounting implications of the abolition of the MPF-LSP offsetting mechanism in HKSAR*” (‘the Guidance’) in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee’s LSP benefits in terms of Hong Kong Accounting Standard 19.93(a) (equivalent to IAS 19.93(a))
- Approach 2: Account for the employer’s MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 December 2022 and 2023, the Group’s LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

(iv) New accounting standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards, amendments and interpretations to existing standards are mandatory for accounting periods beginning on or after 1 January 2024.

		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	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
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 amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The new or revised standards that have been issued but are not yet effective are unlikely to have a material impact on the Group’s consolidated results and consolidated financial position upon application.

3 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers that are used for making strategic decisions. The chief operating decision makers are identified as the executive directors of the Company. The chief operating decision makers regularly monitor and receive reports relating to the performance of the four lines of business the Group operates during the year. In this regard, management has identified four reportable operating segments, namely (1) Air ticket distribution, (2) Travel business process management, (3) Travel products and services and (4) Other business process management.

The major business activities for the four segments are summarised as follows:

- Air ticket distribution: The Group sells air tickets on behalf of airlines in exchange for margin income and incentive commissions from airlines.
- Travel business process management: The Group performs certain administrative and management services mainly for travel agencies in exchange for travel business process management fees.
- Travel products and services: The Group packages various travel products from suppliers into company-operated tours. The Group also sells other travel products and services, where the travellers are responsible for their trips using travel services sourced by the Group.
- Other business process management: The Group provides certain translation and agent services on behalf of a healthcare company in exchange for business process management fees.

The performance of the operating segments is assessed based on segment revenue and a measure of segment operating results. Unallocated administrative expenses, reversal of ECLs allowance on financial assets, other losses/gains, net, other income, finance costs, net, share of net losses of joint ventures and income tax are not included in the segment results. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the Group's chief operating decision makers.

	Year ended 31 December 2023				Total HK\$'000
	Air ticket distribution HK\$'000	Travel business process management HK\$'000	Travel products and services HK\$'000	Other business process management HK\$'000	
Revenue from external customers	22,134	21,123	60,253	—	103,510
Time of revenue recognition					
At a point in time	22,134	21,123	197	—	43,454
Over the time	—	—	60,056	—	60,056
	<u>22,134</u>	<u>21,123</u>	<u>60,253</u>	<u>—</u>	<u>103,510</u>
Segment results	12,908	8,223	10,341	—	31,472
Other income					548
Other losses, net					(1,402)
Reversal of ECLs allowance on financial assets					1,171
Administrative expenses					(26,568)
Finance costs, net					(70)
Profit before income tax					5,151
Income tax expense					(2,234)
Profit for the year					<u>2,917</u>
Other segment items:					
Depreciation and amortisation	35	95	—	—	130
Capital expenditure	7	18	—	—	25
Depreciation of right-of-use assets	212	755	—	—	967

	Year ended 31 December 2022				Total HK\$'000
	Air ticket distribution HK\$'000	Travel business process management HK\$'000	Travel products and services HK\$'000	Other business process management HK\$'000	
Revenue from external customers	11,430	32,027	—	2,320	45,777
Time of revenue recognition					
At a point in time	11,430	32,027	—	—	43,457
Over the time	—	—	—	2,320	2,320
	<u>11,430</u>	<u>32,027</u>	<u>—</u>	<u>2,320</u>	<u>45,777</u>
Segment results	3,046	6,786	—	266	10,098
Other income					1,634
Other gains, net					2,477
Reversal of ECLs allowance on financial assets					3,962
Administrative expenses					(32,409)
Finance costs, net					(285)
Share of net losses of joint ventures					(352)
Loss before income tax					(14,875)
Income tax credit					1,073
Loss for the year					<u>(13,802)</u>
Other segment items:					
Depreciation and amortisation	115	755	—	35	905
Capital expenditure	8	38	—	18	64
Depreciation of right-of-use assets	170	773	—	38	981

Revenue from external parties contributing 10% or more of the total revenues of the Group is as follows:

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Company A – travel business process management segment	21,078	23,699
Company B – travel business process management segment (note)	N/A	6,797
Company C – travel products and services	10,470	N/A
Company D – travel products and services	10,109	N/A
	<u> </u>	<u> </u>

Note: The customer did not contribute 10% or more of the total revenue of the Group in current financial year.

There is no material inter-segment revenue.

The Group's revenue by geographical locations (as determined by the area or country in which the Group operates) is analysed as follows:

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Canada	39,756	45,267
United States	3,698	—
Mainland China	60,056	510
	<u> </u>	<u> </u>
	<u>103,510</u>	<u>45,777</u>

The following is an analysis of the carrying amounts of the Group's assets analysed by geographical area in which the assets are located:

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Canada	72,336	95,015
United States	36,702	34,803
Hong Kong	4,805	3,111
Mainland China	27,961	21
	<u> </u>	<u> </u>
	<u>141,804</u>	<u>132,950</u>

As at 31 December 2023, all material non-current assets, other than deferred income tax assets of approximately HK\$20,060,000 (2022: deferred income tax assets of approximately HK\$18,123,000), are located in Canada.

4 OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Other income		
Subsidies (Note)	—	72
Compensation income for early termination of lease contract	—	1,562
Sundry income	548	—
	<u>548</u>	<u>1,634</u>
Other (losses)/gains, net		
Foreign exchange gain/(loss)	(1,437)	2,293
Gain on disposal of joint ventures	—	182
Fair value change in financial asset at FVTPL	35	2
	<u>(1,402)</u>	<u>2,477</u>

Note: For the year ended 31 December 2022, it represented grants received in relation to wage subsidies from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong SAR Government. There are no unfulfilled conditions or contingencies relating to these grants as at 31 December 2022.

5 EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Cost of package tours	47,675	—
Employee benefit expenses (including directors’ emoluments)	31,726	46,326
Office, telecommunication and utility expenses	2,780	3,279
Depreciation of right-of-use assets	1,839	1,706
Short-term leases expenses	341	991
Advertising and promotion	372	96
Credit card fees	25	46
Auditor’s remuneration		
– Audit service	1,575	1,500
– Non-audit service	582	816
Depreciation of property, plant and equipment	824	1,601
Amortisation of intangible assets	1	428
Legal and professional fees	2,915	2,537
Service fees	4,628	4,780
Others	3,323	3,982
	<u>98,606</u>	<u>68,088</u>
Total cost of sales, selling and administrative expenses		

6 FINANCE COSTS, NET

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Finance income		
– Interest income	177	6
Finance costs		
– Interest expense on lease liabilities	(138)	(168)
– Imputed interest expense on loan from government	(109)	(123)
	(247)	(291)
Finance costs, net	(70)	(285)

7 INCOME TAX EXPENSE/(CREDIT)

Canadian corporate income tax has been provided at the rate of 26.5% for the year ended 31 December 2023 (2022: 26.5%) on the Group's respective taxable income, if any. United States federal income tax has been provided at the rate of 21% for the year ended 31 December 2023 (2022: 21%) on the Group's respective taxable loss and the United States state and city tax has been calculated on the estimated assessable profit at 14.95% for the year ended 31 December 2023 (2022: 14.95%). PRC enterprise income tax has been provided at the rate of 25% for the year ended 31 December 2023 (2022: nil) on the Group's respective taxable income.

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Current income tax		
– Canadian corporate income tax	(12,321)	—
– US federal income tax	11	—
– US state income tax	3	—
– PRC enterprise income tax	584	—
– (Over)/under provision in prior years	(10)	115
Deferred income tax	13,967	(1,188)
Income tax expense/(credit)	2,234	(1,073)

8 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the losses attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years.

	Year ended 31 December	
	2023	2022
Profit/(Loss) attributable to owners of the Company (HK\$'000)	2,917	(13,802)
Weighted average number of ordinary shares in issue (Number of shares in thousand)	<u>1,200,000</u>	<u>1,200,000</u>
Basic and diluted earnings/(loss) per share (HK Cents)	<u><u>0.2</u></u>	<u><u>(1.2)</u></u>

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Potential ordinary shares are dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share. For the years ended 31 December 2023 and 2022, the Group has no dilutive potential ordinary shares.

9 DIVIDEND

The directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31 December 2023 (2022: nil).

10 TRADE RECEIVABLES

	As at 31 December 2023 HK\$'000	As at 31 December 2022 HK\$'000
Incentive commission receivables	4,981	1,831
Less: ECLs allowance	(50)	(436)
	<u>4,931</u>	<u>1,395</u>
Other trade receivables	28,227	795
Less: ECLs allowance	(452)	(32)
	<u>27,775</u>	<u>763</u>
	<u>32,706</u>	<u>2,158</u>

Trade receivables primarily represent trade receivables from travel products and services (2022: business process management income receivables). The payment period from customers is generally 90 days (2022: ranged from 30 to 90 days).

The aging analysis of trade receivables (net of ECLs allowance) based on invoice date is as follows:

	As at 31 December 2023 HK\$'000	As at 31 December 2022 HK\$'000
0 to 60 days	16,079	1,096
Over 60 days	16,627	1,062
	<u>32,706</u>	<u>2,158</u>

As at 31 December 2023, these balances represented receivables from sales of travel products and services and incentive commission receivables from airlines (2022: business process management income receivables and incentive commission receivables from airlines). Based on past experience and customers' repayment record, the amounts can be recovered.

The aging analysis of these trade receivables (net of ECLs allowance), based on past due date, is as follows:

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
Not overdue	28,070	2,158
1-90 days	4,636	—
	<u>32,706</u>	<u>2,158</u>

The carrying amounts of trade receivables approximate their fair values at each reporting date and are denominated in the following currencies:

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
Canadian dollar (“ CAD ”)	4,418	893
United States dollar (“ USD ”)	513	1,265
Renminbi (“ RMB ”)	27,775	—
	<u>32,706</u>	<u>2,158</u>

The maximum exposure to credit risk is the carrying amount of trade receivables and the Group does not have any receivables held as collateral or security.

11 SHARE CAPITAL AND OTHER RESERVE

(a) Share capital

	Number of ordinary shares (’000)	Nominal value of ordinary shares HK\$’000
Authorised:		
Ordinary shares of HK\$0.0001 each		
As at 1 January 2022, and 31 December 2022 and 2023	<u>90,000,000</u>	<u>9,000</u>
Issued and fully paid:		
As at 1 January 2022, and 31 December 2022 and 2023	<u><u>1,200,000</u></u>	<u><u>120</u></u>

(b) Other reserve

The other reserve presented in the consolidated statements of financial position represented the difference between the face value and the redemption value of the 10,000,000 Class A redeemable preference shares issued to the shareholders on 1 September 2011.

Upon completion of the exchange of redeemable preference shares into the ordinary shares of the Company on 9 October 2017 for reorganisation, the carrying amount of redeemable preference shares amounting to HK\$54,920,000 was recorded in other reserve.

(c) Financial asset at FVTOCI reserve

Financial asset at FVTOCI reserve comprises the cumulative net change in fair value of unlisted equity investments held at the end of the reporting period.

(d) Statutory reserve

Statutory reserve represents appropriation of profits of the PRC subsidiaries to non-distributable reserve fund account as required by the relevant PRC statute.

12 TRADE PAYABLES

The ageing analysis of trade payables based on invoice date are as follows:

	As at 31 December 2023 HK\$'000	As at 31 December 2022 HK\$'000
0 to 30 days	8,719	12
31 to 60 days	6,554	—
	<u>15,273</u>	<u>12</u>

Trade payables are denominated in the following currencies:

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
RMB	15,273	—
USD	—	12
	<u>15,273</u>	<u>12</u>

13 BANKING FACILITIES

As at 31 December 2023, the Group has banking facilities available in the form of letters of guarantee of HK\$14,766,000 (2022: HK\$14,394,000) in which HK\$5,092,000 (2022: HK\$4,935,000) was utilised and secured by a Canadian Crown corporation, an enterprise wholly owned by the Government of Canada.

The Group was in compliance with all banking covenants as at 31 December 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a long-established air ticket consolidator, travel business process management provider and travel products and services provider in Canada, founded in 1976 and with more than 40 years of operating history. The principal businesses of the Group include (i) air ticket distribution in which it distributes air tickets to travel agents and travellers and issues air tickets directly on behalf of contracted airlines; (ii) travel business process management in which it provides mid-office and back-office support services to travel agents; (iii) other business process management in which it provides certain translation and agent services for its customers; and (iv) travel products and services in which it designs, develops and sells package tours, as well as other travel products and services to travel agents and travellers.

The Group's performance in 2023 continued to recover steadily following the ease of the COVID-19 pandemic. There was a continuous recovery of the travel industries worldwide, and the Group recorded an increase in transaction volume and revenue for its air ticket distribution services for the Year, as compared to 2022. Leveraging its knowledge and experience as a travel services provider, the Group successfully extended its presence to the Guangdong-Hong Kong-Macao Greater Bay Area ("**Greater Bay Area**") of the People's Republic of China ("**China**" or "**PRC**") and generated revenue in 2023. In such connection, the Group recognised revenue of approximately HK\$60.1 million from its travel products and services segment for 2023 primarily in relation to the provision of company-operated cultural tours in the Greater Bay Area. The Group also leveraged its knowledge and experience from being a travel services provider to explore new business opportunities and had entered into a non-legally binding memorandum of understanding in early 2024 with a travel and healthcare services provider based in Hainan, the PRC in relation to potential travel and healthcare business cooperation.

The total revenue of the Group increased by approximately HK\$57.7 million or approximately 126.0%, from approximately HK\$45.8 million for the year ended 31 December 2022 to approximately HK\$103.5 million for the Year. Such increase was mainly attributable to the increase in revenue generated from the air ticket distribution segment and travel products and services segment as further discussed below. Alongside the increase in revenue, the gross profit of the Group increased by approximately HK\$21.7 million or approximately 96.4%, from approximately HK\$22.5 million the year ended 31 December 2022 to approximately HK\$44.2 million for the Year. The overall gross profit margin of the Group decreased by approximately 6.5 percentage points, from approximately 49.2% for the year ended 31 December 2022 to approximately 42.7% for the Year, the decrease in gross margin was primarily attributable to the increase in the portion of revenue contribution of the travel products and services segment which had a relatively lower gross profit margin as compared to other business segments of the Group as further discussed below.

Air Ticket Distribution

Air ticket distribution business segment experienced a remarkable improvement in 2023 as compared to 2022 following the ease the COVID-19 pandemic. Segment revenue substantially increased by approximately 93.9% or approximately HK\$10.7 million from approximately HK\$11.4 million for the year ended 31 December 2022, to approximately HK\$22.1 million for the Year. Such increase was mainly attributable to the increase in transaction volume of air tickets sales and gross sales proceeds generated from air tickets sales, primarily due to the continuous recovery of the travel industries worldwide. As one of the International Air Transport Association (IATA) accredited travel agents in Canada and one of the Airlines Reporting Corporation (ARC) accredited travel agents in the United States, the Group is qualified to obtain ticketing authority to issue air tickets of all available flights (origins and destinations) on behalf of IATA member airlines and ARC member airlines and secure private fare deals directly from them. As at 31 December 2023, the Group had ticketing authority for more than 150 airlines and private fare deals with around 70 airlines, including top airlines based in Canada, the United States and the PRC.

Travel Business Process Management

The Group continued to provide a range of travel business process management including air ticket transaction processing, customer contact, BSP/ARC settlement and reconciliation, software development and travel licensing, compliance and other administrative matters to its customers. Segment revenue generated from travel business process management decreased by approximately 34.1% or approximately HK\$10.9 million, from approximately HK\$32.0 million for the year ended 31 December 2022, to approximately HK\$21.1 million for the Year. Such decrease in segment revenue was mainly attributable to the Group's reduced business cooperation with certain customers with lower profit margins to improve the operational efficiency and profitability. As a result, the Group recorded an increase in gross profit margin for the travel business process management segment of approximately 18.4 percentage points from approximately 48.0% for the year ended 31 December 2022 to approximately 66.4% for the Year. The management will continue to expand the Group's customer base by initiating sales efforts targeting travel agents that share similar profile and market positioning as its existing customers, while at the same time optimise the Group's customer profile.

Other Business Process Management

The Group started to provide business process management services to a healthcare company in Canada in relation to COVID-19 tests in the airports in Canada in the second half of 2021, where a range of business process management services including translation, customer contact, software support and other administrative services was provided by the Group. As the COVID-19 testing requirement for international travellers in Canada has been removed following the ease of the COVID-19 pandemic, the Group ceased to provide such business process management services for the Year and the revenue generated from other business process management segment decreased to nil from approximately HK\$2.3 million for the year ended 31 December 2022. Going forward, the management will continue to explore new business opportunities for its other business process management segment.

Travel Products and Services

The Group has resumed providing package tours in the first quarter of 2023 following the ease of the COVID-19 pandemic and thereby recognised revenue from its travel products and services segment for the Year. With the Group expanding its presence to the Greater Bay Area, the Group recognised segment revenue of approximately HK\$60.3 million for the Year, primarily in relation to the provision of company-operated cultural tours in the Greater Bay Area. The management will continue to consolidate and expand the Group's presence in the Greater Bay Area through sourcing new customers.

DIVIDENDS

In order to retain more cash to finance the working capital requirements and future development of the Group, the Board does not recommend the payment of final dividend for the Year (2022: nil). The Board will consider future dividend distribution in due course according to the Company's dividend policy.

FUTURE PROSPECT

Air travel demand is off to a very healthy start in 2023, which bodes well for the continued and steady recovery from the COVID-19 pandemic. The airline, travel and tourism industries worldwide have significantly improved alongside with steady demand for travel and increasing flight numbers. Airlines of different countries have increased their number of destinations while passenger demand and bookings have demonstrated a continued growth. In particular, the Group has resumed providing package tours since the first quarter of 2023. The Group therefore believes that the travel industries as a whole are improving, which will in turn create more business opportunities for the Group.

The Group will continue to consolidate its presence in the travel industries of the Greater Bay Area. The Group will continue to deploy business strategies with a view to sustain its travel related businesses and endeavor to explore suitable business opportunities from time to time in the travel consultancy, healthcare, hospitality and other potential service industries by leveraging its knowledge and experience, so as to create business synergy, enhance earning capability and potential, and bring value to shareholders of the Company (“Shareholders”).

FINANCIAL REVIEW

REVENUE

The following table sets forth the components of the revenue by business segment for the years:

	Year ended 31 December			
	2023		2022	
	HK\$'000	%	HK\$'000	%
Air ticket distribution	22,134	21.4	11,430	25.0
Travel business process management	21,123	20.4	32,027	70.0
Travel products and services	60,253	58.2	—	—
Other business process management	—	—	2,320	5.0
Total	<u>103,510</u>	<u>100.0</u>	<u>45,777</u>	<u>100.0</u>

The Group’s revenue increased by approximately HK\$57.7 million or approximately 126.0%, from approximately HK\$45.8 million for the year ended 31 December 2022 to approximately HK\$103.5 million for the Year. Such increase was mainly attributable to the increase in revenue generated from the air ticket distribution segment and travel products and services segment.

Air Ticket Distribution

The revenue from air ticket distribution segment increased by approximately HK\$10.7 million, or approximately 93.9%, from approximately HK\$11.4 million for the year ended 31 December 2022, to approximately HK\$22.1 million for the Year. Such increase in revenue was mainly due to an increase in transaction volume of air tickets sales and gross sales proceeds generated from air tickets sales as a result of the strong recovery of tourism across the Group's key operating regions.

Travel Business Process Management

The revenue from travel business process management segment decreased by approximately HK\$10.9 million or approximately 34.1%, from approximately HK\$32.0 million for the year ended 31 December 2022, to approximately HK\$21.1 million for the Year. Such decrease in revenue was mainly due to the Group's reduced business cooperation with certain customers with lower profit margins to improve operational efficiency and profitability.

Travel Products and Services

The revenue from travel products and services segment was approximately HK\$60.3 million for the Year, as the Group has resumed providing company-operated package tours since the first quarter of 2023 following the ease of the COVID-19 pandemic. There was no segment revenue reported for travel products and services segment for the years ended 31 December 2022, as the Group had temporarily suspended the provision of its outbound package tours due to the outbreak of COVID-19 pandemic and travel restrictions across the world.

Other Business Process Management

No revenue was recorded from this segment for the Year. The Group did not provide any business process management services during the Year following Canada's removal of COVID-19 testing requirement for international travellers. The revenue from other business process management segment was approximately HK\$2.3 million for the year ended 31 December 2022.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth the components of the gross profit and gross profit margin by business segment:

	For the year ended 31 December			
	2023		2022	
	Gross profit HK\$'000	Gross profit margin %	Gross profit HK\$'000	Gross profit margin %
Air ticket distribution	17,586	79.5	6,742	59.0
Travel business process management	14,034	66.4	15,366	48.0
Travel products and services	12,578	20.9	—	—
Other business process management	—	—	419	18.1
Total	44,198	42.7	22,527	49.2

The gross profit of the Group increased by approximately HK\$21.7 million or approximately 96.4%, from approximately HK\$22.5 million for the year ended 31 December 2022 to approximately HK\$44.2 million for the Year, primarily attributable to an increase in revenue generated from the Group's air ticket distribution services and travel products and services, while air ticket distribution services having an increased gross profit margin.

The overall gross profit margin of the Group decreased by approximately 6.5 percentage points, from approximately 49.2% for the year ended 31 December 2022 to approximately 42.7% for the Year, which was primarily attributable to the increase in the proportion of revenue contribution of the travel products and services segment which had a relatively lower gross profit margin as compared to other segments because the costs for company-operated cultural tours in the Greater Bay Area was relatively heavy at the Group's earlier phase of development in this market.

Air Ticket Distribution

The gross profit attributable to the air ticket distribution segment increased by approximately HK\$10.9 million or approximately 162.7%, from approximately HK\$6.7 million for the year ended 31 December 2022 to approximately HK\$17.6 million for the Year, which was due to the increase in the transaction volume of air tickets sales and the corresponding increase in gross sales proceeds as a result of the strong recovery of tourism across the Group's key operating regions. The gross profit margin for the air ticket distribution segment substantially increased by approximately 20.5 percentage points from approximately 59.0% for the year ended 31 December 2022 to approximately 79.5% for the Year, because a higher commission rate was achieved for a higher volume of air tickets sold for a pre-determined period, as agreed with the corresponding airline.

Travel Business Process Management

The gross profit attributable to the travel business process management segment decreased by approximately HK\$1.4 million or approximately 9.1%, from approximately HK\$15.4 million for the year ended 31 December 2022 to approximately HK\$14.0 million for the Year, which was due to the decrease in revenue of the travel business process management segment. The gross profit margin for the travel business process management segment increased by approximately 18.4 percentage points from approximately 48.0% for the year ended 31 December 2022 to approximately 66.4% for the Year, which was mainly because the Group reduced business cooperation with certain customers with lower profit margins to improve operational efficiency and profitability.

Travel Products and Services

The gross profit attributable to travel products and services segment for the Year was approximately HK\$12.6 million, with a gross profit margin of approximately 20.9% as the Group has resumed providing package tours since the first quarter of 2023 following the ease of the COVID-19 pandemic. There was no gross profit attributable to travel products and services segment for the year ended 31 December 2022, as no segment revenue was recognised as a result of the Group's temporary suspension of provision of package tours due to the COVID-19 pandemic and travel restrictions across the world.

Other Business Process Management

There was no gross profit attributable to other business process management segment for the Year, as no segment revenue was recognised as a result of Canada's removal of the COVID-19 testing requirement for international travellers. The gross profit attributable to other business process management segment for the year ended 31 December 2022 was approximately HK\$0.4 million, with a gross profit margin of approximately 18.1%.

Other Income

The other income decreased by approximately HK\$1.1 million or approximately 68.8%, from approximately HK\$1.6 million for the year ended 31 December 2022 to approximately HK\$0.5 million for the Year. Such shortfall was mainly due to the one-off nature of the compensation income for early termination of lease contract received by the Group in 2022.

Selling Expenses

The selling expenses decreased by approximately HK\$0.6 million or approximately 16.7%, from approximately HK\$3.6 million for the year ended 31 December 2022 to approximately HK\$3.0 million for the Year, which was mainly due to closure of the Group's retail branches in Canada.

Administrative Expenses

The administrative expenses decreased by approximately HK\$4.9 million or approximately 11.9%, from approximately HK\$41.2 million for the year ended 31 December 2022 to approximately HK\$36.3 million for the Year, which was mainly due to a decrease in office expenses after a relocation of the Group's office in Canada in April 2022.

Reversal of Expected Credit Losses (“ECLs”) Allowance on Financial Assets

The reversal of ECLs allowance on financial assets decreased by approximately HK\$2.8 million or approximately 70.0%, from approximately HK\$4.0 million for the year ended 31 December 2022 to approximately HK\$1.2 million for the Year. Such decrease was mainly attributable to the fact that as compared to the year ended 31 December 2022, the gross balance of debtors that was subject to additional ECLs allowance was higher for the Year as a result of the increased revenue of the Group in light of the continuous recovery of the travel industries.

Profit/(loss)for the Year

The Group recognised a profit for the year of approximately HK\$2.9 million for the Year, as compared to the loss for the year of approximately HK\$13.8 million for the year ended 31 December 2022. Such turnaround was mainly attributable to:

- an increase in the Group’s revenue by approximately HK\$57.7 million or approximately 126.0%, from approximately HK\$45.8 million for the year ended 31 December 2022 to approximately HK\$103.5 million for the Year as discussed in the sub-section headed “Revenue” above;

partially offset by the following:

- a decrease in the Group’s overall gross profit margin from approximately 49.2% for the year ended 31 December 2022 to approximately 42.7% for the Year as discussed in the sub-section headed “Gross profit and gross profit margin” above; and
- a decrease in a reversal of ECLs allowance on financial assets of approximately HK\$2.8 million from approximately HK\$ 4.0 million for the year ended 31 December 2022 to approximately HK\$1.2 million for the Year as discussed in the sub-section headed “Reversal of ECLs allowance on financial assets” above;

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

During the Year, the Group's primary source of funding included its own working capital, the net proceeds from the listing and the credit facilities provided by the Group's principal bank in Canada.

Net cash used in operating activities was approximately HK\$24.8 million for the Year, as compared with net cash used in operating activities of approximately HK\$11.2 million for the year ended 31 December 2022. Net cash generated from investing activities was approximately HK\$0.1 million for the Year, as compared with net cash generated from investing activities of approximately HK\$10.4 million for the year ended 31 December 2022. Net cash generated from financing activities for the Year was approximately HK\$7.3 million, as compared with net cash used in financing activities of approximately HK\$1.7 million for the year ended 31 December 2022.

As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately HK\$26.4 million, representing a decrease of approximately 39.7% from approximately HK\$43.8 million as at 31 December 2022.

The Group's gearing ratio is calculated based on total debt divided by the shareholders' equity at the end of the financial year and multiplied by 100%. As at 31 December 2023, the Group's gearing ratio was approximately 6.6% (2022: 8.4%). The gearing ratio decreased by approximately 1.8 percentage points, from approximately 8.4% for the year ended 31 December 2022 to approximately 6.6% for the Year. Taking into consideration the Group's current bank balances and cash, together with the credit facilities available and the expected cash flow from operations, it is anticipated that the Company should have adequate financial resources to meet its ongoing operating and development requirements.

Net Current Assets

As at 31 December 2023, the Group had net current assets of approximately HK\$20.0 million as compared with the net current assets of approximately HK\$4.2 million as at 31 December 2022.

Borrowings

As at 31 December 2023, the Group had interest-free loan from the Government of Canada under the Regional Economic Growth Through Innovation program of approximately HK\$3.3 million (2022: HK\$4.0 million), which were denominated in Canadian dollars. The Directors expect that such loan will be repaid by internally generated funds.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Financial asset at FVTPL

The current financial asset at FVTPL of approximately HK\$1.5 million as at 31 December 2023 represented a government bond issued by the Canadian government with an interest rate of 3.6% per annum with a maturity date of 15 February 2025 (2022: 1.8% per annum with a maturity date of 21 March 2023). The carrying amount of the government bond issued by the Canadian government was CAD254,000 (equivalent to approximately HK\$1,498,000) as at 31 December 2023 (2022: CAD248,000, equivalent to approximately HK\$1,426,000). Accordingly, the Group recorded a non-current financial asset at FVTPL of approximately HK\$1.5 million as at 31 December 2023.

As the highest applicable percentage ratio under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") in respect of the subscription of government bond mentioned above was less than 5.0%, such transaction was exempted from the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Amount due to immediate holding company

As at 31 December 2023, the Group had an amount due to immediate holding company of HK\$10.0 million, as compared to nil as at 31 December 2022. Such amount due to immediate holding company was non-trade in nature, interest-free, unsecured, repayable on demand and on normal commercial terms or better, and constituted a fully exempt financial assistance received by the Group pursuant to Rule 14A.90 of the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

In early 2024, the Group entered into a non-legally binding memorandum of understanding with a travel and healthcare services provider based in Hainan, the PRC in relation to potential travel and healthcare business cooperation. Save as the aforesaid, there are no significant events subsequent to the end of the reporting period which would materially affect the Group's operating and financial performance as at the date of this announcement.

FOREIGN EXCHANGE RISKS

The Group has foreign currency exposures that mainly arise from the balance of assets and liabilities in currencies other than the respective group companies' functional currency. The Group's policy requires the management to control the Group's foreign exchange risk to an acceptable level by ensuring that the Group is able to obtain sufficient amount of USD at acceptable exchange rate for meeting the payment obligations arising from business operations. A net foreign exchange loss of approximately HK\$1.4 million was recorded for the year ended 31 December 2023 while a net foreign exchange gain of approximately HK\$2.3 million was recorded for the year ended 31 December 2022.

During the Year, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had a total of 71 employees as compared to 70 employees as at 31 December 2022. The total staff costs incurred by the Group for the Year were approximately HK\$31.7 million as compared to approximately HK\$46.3 million for the year ended 31 December 2022. The Group will regularly review its remuneration policy and the benefits to its employees with reference to market practice and the performance of individual employees. In addition, the Company has adopted a share option scheme on 7 May 2018 to attract and retain individuals with experience and ability and to reward them for their contributions. For details, please refer to the sub-section headed "Share option scheme" below.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS

During the Year, no other significant investments, material acquisition and disposal of subsidiaries, associates or joint ventures were conducted by the Group.

PLEDGE OF ASSETS

As at 31 December 2023, the Group had government bond issued by the Canadian government of approximately HK\$1.5 million (2022: HK\$1.4 million). The bond is held as a security pledge for the operating permits required under the Quebec Travel Agents Act by the Québec L'Office de la protection du consommateur. The interest rate for the bond is 3.6% per annum with a maturity date of 15 February 2025 (2022: 1.8% per annum with a maturity date of 21 March 2023).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities or guarantees.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 7 May 2018 (the “**Share Option Scheme**”). The Share Option Scheme is designed to motivate eligible participants, including executives and key employees, who may make a contribution to the Group, and enables the Group to attract and retain individuals with experience and ability and to reward them for their contributions. Since the adoption of the Share Option Scheme and up to the date of this announcement, no share options has been granted, exercised, lapsed or cancelled under the Share Option Scheme. For details of the Share Option Scheme, please refer to the prospectus of the Company dated 15 June 2018 (the “**Prospectus**”).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have plans for material investments and capital assets as at 31 December 2023.

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Stock Exchange on 28 June 2018, with net proceeds received by the Company in the amount of HK\$49.7 million after deducting underwriting commission and all related listing expenses.

An analysis of the utilisation of the net proceeds from the listing date up to 31 December 2023 is set out below:

Use of net proceeds	Net proceeds from the share offer HK\$ million	Actual utilisation up to 31 December 2023 HK\$ million	Unutilised amounts as at 31 December 2023 HK\$ million	Expected year of full utilisation of remaining balance
Repayment of bank borrowings	21.5	21.5	—	—
Expansion of air ticket distribution business	13.4	1.0	12.4	2024
Upgrade the information technology infrastructure	6.7	4.8	1.9	2024
Expansion the travel business process management business	6.9	6.9	—	—
Advertising and promotion	1.2	1.2	—	—
	<u>49.7</u>	<u>35.4</u>	<u>14.3</u>	

As at 31 December 2023, the net proceeds received from the listing had been, and will be used in the manner consistent with that disclosed in the Prospectus.

ANNUAL GENERAL MEETING

It is proposed that the AGM will be held on 26 June 2024. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed during the following period:

Latest time to lodge transfers documents for registration.....	4:30 p.m. on Thursday, 20 June 2024
Closure of register of members.....	Friday, 21 June 2024 to Wednesday, 26 June 2024
(both days inclusive)	

For purposes mentioned above, all properly completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road North Point, Hong Kong for registrations no later than the aforementioned latest time.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company has adopted all applicable code provisions as set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix C1 to the Listing Rules and has also put in place certain recommended best practices as set out in the CG Code.

The Board is of the opinion that the Company has complied with all applicable code provisions (other than provision C.2.1) set out in the CG Code during the Year and up to the date of this announcement.

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Kou Chung Yin Mariana is the chairperson of the Board and the chief executive officer of the Company. The Board is of the opinion that vesting the roles of both chairman and chief executive in Ms. Kou has the benefit of ensuring consistent leadership within the Group, thus enabling more effective and efficient strategic planning for the Group. The Board also believes that the balance of power and authority is not compromised and is adequately ensured by the composition of the existing Board. Therefore, the Directors consider that the deviation from the CG Code provision C.2.1 is appropriate in such circumstances.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report contained in the annual report of the Company for the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the code of conduct of the Company regarding Directors’ transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct for the Year and up to the date of this announcement.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, being Ms. Kwan Ka Yee, Mr. Fong Wai Bun Benny and Ms. Suen Yin Wah Chloe. The audit committee is chaired by Ms. Kwan Ka Yee. The annual results of the Group for the Year have been reviewed by the Audit Committee. The Audit Committee has also reviewed the accounting policies and practices adopted by the Group and discussed risk management and internal control with senior management members of the Company and is of the view that the results for the Year are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

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

During the Year and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group’s results for the Year have been agreed by the Company’s external auditor, BDO Limited (“**BDO**”), to the amounts set forth in the Group’s audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board, and consequently no assurance has been expressed by BDO on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cighl.com>). The annual report of the Company for the Year containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board
Cinese International Group Holdings Limited
富盈環球集團控股有限公司
Dr. Kou Chung Yin Mariana
Chairperson and executive Director

Hong Kong, 26 March 2024

As at the date of this announcement, the executive Directors are Mr. Liu Xue Bin and Dr. Kou Chung Yin Mariana, the non-executive Director is Mr. Liu Jiefeng, and the independent non-executive Directors are Mr. Fong Wai Bun Benny, Ms. Suen Yin Wah Chloe and Ms. Kwan Ka Yee.