FUTURE WORLD HOLDINGS LIMITED
未 來 世 界 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

Annual Report 2023

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liang Jian *(Chairman and Chief Executive Officer)*
Mr. Yu Zhenzhong *(Vice Chairman)*
Ms. Wang Qian *(Vice Chairman)*
Mr. Yu Qingrui
Mr. Su Wei
Mr. Lai Long Wai (appointed on 10 November 2023)
Mr. Yuan Yifeng (resigned on 31 May 2023)
Mr. Cheung Kit Shing (resigned on 20 June 2023)
Mr. Li Rui (resigned on 20 June 2023)

Independent Non-Executive Directors

Mr. He Yi
Mr. Guo Yaoli
Mr. Bong Chin Chung (appointed on 3 July 2023)
Mr. Chen Pei (resigned on 21 March 2023)
Ms. Xia Liping (resigned on 10 November 2023)

AUDIT COMMITTEE

Mr. He Yi *(Chairman)*
Mr. Guo Yaoli
Mr. Bong Chin Chung (appointed on 3 July 2023)
Ms. Xia Liping (resigned on 10 November 2023)

REMUNERATION COMMITTEE

Mr. Guo Yaoli *(Chairman)*
Mr. He Yi
Mr. Bong Chin Chung (appointed on 3 July 2023)
Mr. Lai Long Wai (appointed on 10 November 2023)
Ms. Xia Liping (resigned on 10 November 2023)

NOMINATION COMMITTEE

Mr. He Yi *(Chairman)*
Mr. Guo Yaoli
Mr. Bong Chin Chung (appointed on 3 July 2023)
Mr. Lai Long Wai (appointed on 10 November 2023)
Ms. Xia Liping (resigned on 10 November 2023)

COMPANY SECRETARY

Mr. Ng Kun Seng Chris (appointed on 21 November 2023)
Mr. Ho Wai Kuen (resigned on 21 July 2023)
Ms. Lam Hay Yin (resigned on 21 November 2023)

AUTHORISED REPRESENTATIVES

Mr. Yu Qingrui
Mr. Lai Long Wai (appointed on 10 November 2023)
Ms. Lam Hay Yin (resigned on 10 November 2023)
Mr. Ho Wai Kuen (resigned on 21 July 2023)

COMPANY WEBSITE

www.fw-holdings.com

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 612
Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITOR

Moore CPA Limited
Certified Public Accountants
(Registered Public Interest Entity Auditor)
801–806 Silvercord, Tower 1
30 Canton Road, Tsimshatsui
Kowloon, Hong Kong

SHARE REGISTRAR

Hong Kong

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

Cayman Islands

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

PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited
Shanghai Commercial Bank Limited
Chong Hing Bank Limited

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Future World Holdings Limited (the "**Company**"), I am pleased to present the annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2023.

PROSPECTS AND OUTLOOK

The Group is principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business; and (vii) hotel management and operation. The Group will continue to explore opportunities in these core businesses so as to create long-term value for its Shareholders.

Whilst the high technology business segment of the Group has continued to contribute to the Group, in light of the disruption in the supply chain as a result of the COVID-19 pandemic, the Group is in the course of reviewing its high technology business and expects that the business environment of high technology business segment and outlook for the coming financial year will remain highly challenging and uncertain. To mitigate the impact of the COVID-19 pandemic on the high technology business segment, the Group has been continuously exploring suitable opportunities of investment with the objectives of broadening sources of income and maximising the Shareholders' interests.

In March 2024, the Group completed its acquisition of Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司), providing a valuable entry into the hotel management and operation market in Shanxi Province, the PRC. After the COVID-19 pandemic, the PRC government started to ease travel restrictions in early 2023 after the epidemic abated. Some incentive policies were released by the PRC government to boost tourism. The Chinese hotel sector demonstrated a resilient recovery during the first nine months of 2023 and the occupancy rate was close to pre-pandemic levels. In particular, the "golden week" holiday recorded an all-time high occupancy rate, predominantly driven by domestic tourism, especially in lower-tier cities. Despite these developments, China's hotel industry remains relatively affordable compared to other Asia-Pacific markets, reflecting its stable and attractive position within the current economic climate. The entry into the PRC's hotel management and operation market diversified the revenue streams of the Group. The Group is optimistic to the long-term economic growth in the PRC and will continue to review its business portfolio and will make necessary adjustments to fit in the trading and economic environment that is in the interests of the Company and the Shareholders as a whole.

APPRECIATION

I would like to take this opportunity to express the Board's sincere gratitude to all shareholders, investors, bankers, business associates and customers for their continuous support to the Group, and to all employees for their hard work and contributions during the past year.

Liang Jian
Chairman

Hong Kong, 27 March 2024

* *For identification purposes only*

Management Discussion and Analysis

FINANCIAL RESULTS

The Group's revenue for the year ended 31 December 2023 has decreased to approximately HKD38,948,000, which is 17.4% lower compared with the revenue of approximately HKD47,137,000 for the year ended 31 December 2022. The decrease in revenue was mainly attributed to the decrease in revenue of the segment of the provision of financing services. The Group recorded a net loss of approximately HKD152,531,000 for the year ended 31 December 2023 (2022: approximately HKD15,605,000). The increase in net loss was mainly attributable to (i) fair value loss of financial assets at fair value through profit or loss of approximately HKD50,691,000 for the year ended 31 December 2023 (2022: fair value gain of approximately HKD47,130,000) and (ii) fair value loss of investment properties of approximately HKD67,069,000 for the year ended 31 December 2023 (2022: approximately HKD12,860,000).

The Group recorded a net loss of approximately HKD151,730,000 attributable to shareholders of the Company (2022: approximately HKD7,021,000) and basic and diluted loss per share attributable to the owners of the Company of HKD1.01 for the year ended 31 December 2023 (2022: HKD0.07 (restated)).

BUSINESS REVIEW

Property investment

As at 31 December 2023, the Group had (i) two residential properties located at No. 19, Cumberland Road, Kowloon Tong, Hong Kong (approximate saleable area of 5,808 square feet) and No. 1, Lincoln Road, Kowloon Tong, Hong Kong (approximate saleable area of 6,892 square feet); (ii) one commercial property located at G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong (approximate saleable area of 684 square feet with a yard of 193 square feet); and (iii) 19 retail units in a development district known as "Fortune Town" (振業城) located at Henggang Road, Longgang District, Shenzhen, the People's Republic of China (the "**PRC**") (中國深圳市龍崗區橫崗街道).

During the year ended 31 December 2023, the Group recorded rental income of approximately HKD6,679,000 (2022: approximately HKD7,108,000) and fair value loss of approximately HKD67,069,000 (2022: approximately HKD12,860,000) on investment properties from the property investment segment primarily due to the poor sentiment in the Hong Kong real estate market.

The Group will continue to look for opportunity to expand and optimise its investment property portfolio with an aim to generate stable rental income and/or for capital appreciation. On 18 March 2024, the Group agreed to acquire equity interests in two companies principally engaged in real estate and property management, with an aim to facilitating the expansion of the Group's service offerings to property management and diversified the Group's property investment portfolio in the PRC. For further details, please refer to "EVENTS AFTER THE REPORTING PERIOD – Acquisitions of MLH Property and Zhi Ying Property" below.

Treasury business

The treasury business of the Group includes securities trading and investment and provision of financial services.

Securities trading and investment

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income ("**Financial Assets at FVTOCI**") and financial assets at fair value through profit or loss ("**Financial Assets at FVTPL**") in the consolidated financial statements. As at 31 December 2023, the Group's securities trading portfolio comprised of equity securities of Central Wealth Group Holdings Limited ("**Central Wealth**", stock code: 0139), CMBC Capital Holdings Limited ("**CMBC Capital**", stock code: 1141), Shandong Hi-Speed Holdings Group Limited ("**SDHG**", stock code: 0412), Shanghai Conant Optical Co., Ltd. ("**SH Optical**", stock code: 2276), LX Technology Group Limited ("**LX Tech**", stock code: 2436), Fenbi Ltd. ("**Fenbi**", stock code: 2469) and HG Semiconductor Limited ("**HG**", stock code: 6908), which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As a whole, the securities trading and investment segment recorded a loss of approximately HKD61,800,000 for the year ended 31 December 2023 (2022: a profit of approximately HKD38,430,000). The loss was mainly due to fair value loss of Financial Assets at FVTPL of approximately HKD50,691,000 for the year ended 31 December 2023 (2022: fair value gain of approximately HKD47,130,000). The Group recorded dividend income of approximately HKD981,000 (2022: approximately HKD590,000) and interest income from debt instrument of approximately HKD213,000 (2022: approximately HKD426,000). Besides, the Group recorded net realised loss of Financial Assets at FVTPL of approximately HKD4,524,000 (2022: net realised gain of approximately HKD33,000). For the securities investment under Financial Assets at FVTOCI, the Group recorded a fair value loss of approximately HKD56,043,000 for the year ended 31 December 2023 (2022: approximately HKD4,128,000) through other comprehensive income. As at 31 December 2023, the carrying amount of investment in corporate bond was approximately HKD14,039,000 (2022: approximately HKD15,010,000) and the Group recorded the provision for expected credit loss on investment in corporate bond of approximately HKD7,736,000 (2022: approximately HKD4,990,000) during the year ended 31 December 2023.

As at 31 December 2023, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2023	Original cost of the interest as at 31.12.2023 HKD'000	Market value of the interest as at 31.12.2023 HKD'000	Fair value loss for the year HKD'000	Release of fair value loss from fair value reserve for the year HKD'000
FVTOCI						
Central Wealth (stock code: 0139)	426,061,316	2.543%	33,188	7,669	(41,328)	–
CMBC Capital (stock code: 1141)	7,890,000	0.705%	4,093	2,485	(14,715)	–
Subtotal			37,281	10,154	(56,043)	–

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2023	Original cost of the interest as at 31.12.2023 HKD'000	Market value of the interest as at 31.12.2023 HKD'000	Fair value gain/(loss) for the year HKD'000	Realised loss for the year HKD'000
FVTPL						
SDHG (stock code: 0412)	6,715,500	0.112%	36,763	40,763	4,000	(138)
Central Wealth (stock code: 0139)	507,724,000	3.030%	53,909	9,139	(44,770)	(230)
SH Optical (stock code: 2276)	1,020,000	0.239%	4,998	7,201	2,203	–
LX Tech (stock code: 2436)	540,000	0.153%	7,772	4,104	(3,668)	–
Fenbi (stock code: 2469)	240,000	0.011%	2,928	1,102	(1,826)	–
HG (stock code: 6908)	390,000	0.052%	1,498	233	(921)	–
TradeGo (stock code: 8017)	–	–	–	–	–	(4,115)
Investment fund in Cayman Island	N/A	N/A	32,000	26,291	(5,709)	–
Securities bond issued by a PRC entity	N/A	N/A	–	–	–	(41)
Subtotal			139,868	88,833	(50,691)	(4,524)
Total			177,149	98,987	(106,734)	

As at 31 December 2023, the Group held securities investment portfolio with market value of approximately HKD98,987,000 (2022: approximately HKD186,230,000). Except for the investment in SDHG, as at 31 December 2023, there were no other investments held by the Group of which value was more than 5% of the net assets of the Group.

Performance and prospects of the major investees

Central Wealth

Central Wealth and its subsidiaries (the "**Central Wealth Group**") are currently licensed under the Securities and Futures Commission ("**SFC**") to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, as well as money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the "**Money Lenders Ordinance**"), financial investments and the Chinese medicine clinics business.

As mentioned in Central Wealth's interim report for the six months ended 30 June 2023, the Central Wealth Group recorded a revenue of approximately HKD81.6 million for the six months ended 30 June 2023, representing a decrease of approximately 57.0% from approximately HKD189.8 million for the six months ended 30 June 2022. Loss after tax of approximately HKD30.5 million was recorded for the six months ended 30 June 2023, representing a decrease of approximately 46.8% from approximately HKD57.3 million for the six months ended 30 June 2022. The basic and diluted loss per share attributable to owners of the Central Wealth Group for the six months ended 30 June 2023 were HKD0.18 cent (30 June 2022: HKD0.36 cent).

The closing price of Central Wealth was HKD0.018 as at 31 December 2023 (31 December 2022: HKD0.115).

CMBC Capital

CMBC Capital and its subsidiaries (the "**CMBC Capital Group**") are currently licensed under SFC to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, as well as financing and money lending business with the capacity as "exempted persons" defined in the Money Lenders Ordinance (no license required pursuant to the Money Lenders Ordinance). China Minsheng Banking Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016), is a substantial shareholder holding over 60% of the issued shares of CMBC Capital as at 31 December 2023.

As mentioned in CMBC Capital's interim report for the six months ended 30 June 2023, the CMBC Capital Group recorded a revenue of approximately HKD265.2 million for the six months ended 30 June 2023, representing a decrease of approximately 36.4% from approximately HKD417.1 million for the six months ended 30 June 2022. Loss after tax of approximately HKD250.5 million was recorded for the six months ended 30 June 2023, representing a decrease of approximately 10.1% from approximately HKD278.6 million for the six months ended 30 June 2022. The basic and diluted loss per share attributable to owners of the CMBC Capital Group for the six months ended 30 June 2023 were HKD22.32 cents (30 June 2022: HKD23.93 cents).

The closing price of CMBC Capital was HKD0.315 as at 31 December 2023 (31 December 2022: HKD2.18).

SDHG

SDHG and its subsidiaries (the "**SDHG Group**") are principally engaged in industrial investment, standard investment business, non-standard investment business and licensed financial services.

As mentioned in SDHG's interim report for the six months ended 30 June 2023, the SDHG Group recorded a revenue of approximately HKD3,074.2 million for the six months ended 30 June 2023, representing an increase of approximately 152.6% from approximately HKD1,216.8 million for the six months ended 30 June 2022. Profit after tax of approximately HKD90.0 million was recorded for the six months ended 30 June 2023, representing a decrease of approximately 70.1% from approximately HKD300.9 million for the six months ended 30 June 2022. The basic and diluted loss per share attributable to owners of the SDHG Group for the six months ended 30 June 2023 were HKD4.89 cents (30 June 2022: basic and diluted earnings per share of HKD1.26 cents).

The closing price of SDHG was HKD6.07 as at 31 December 2023 (31 December 2022: HKD5.72).

SH Optical

SH Optical and its subsidiaries (the "**SH Optical Group**") are principally engaged in manufacture and sale of resin spectacle lenses.

As mentioned in SH Optical's interim report for the six months ended 30 June 2023, the SH Optical Group recorded a revenue of approximately RMB831.2 million for the six months ended 30 June 2023, representing an increase of approximately 11.3% from approximately RMB746.6 million for the six months ended 30 June 2022. Profit after tax of approximately RMB158.6 million was recorded for the six months ended 30 June 2023, representing an increase of approximately 34.3% from approximately RMB118.1 million for the six months ended 30 June 2022. The basic and diluted earnings per share attributable to owners of the SH Optical Group for the six months ended 30 June 2023 were RMB0.37 (30 June 2022: RMB0.28).

The closing price of SH Optical was HKD7.06 as at 31 December 2023 (31 December 2022: HKD4.72).

LX Tech

LX Tech and its subsidiaries (the "**LX Group**") are engaged in device recycling business, provision of device subscription services and information technology technical subscription services.

As mentioned in LX Tech's annual results announcement for the year ended 31 December 2023, the LX Group recorded a revenue of approximately RMB1,793.1 million for the year ended 31 December 2023, representing an increase of approximately 7.8% from approximately RMB1,664.0 million for the year ended 31 December 2022. Loss after tax of approximately RMB131.03 million for the year ended 31 December 2023 was recorded, as compared to profit after tax of approximately RMB99.95 million for the year ended 31 December 2022. The basic and diluted loss per share attributable to owners of the LX Tech Group for the year ended 31 December 2023 were RMB0.43 (31 December 2022: basic earnings per share and diluted loss per share attributable to owners of the LX Tech Group of RMB0.72 and RMB0.38, respectively).

The closing price of LX Tech was HKD7.60 as at 31 December 2023 (31 December 2022: HKD11.12).

Fenbi

Fenbi and its subsidiaries (the "**Fenbi Group**") are principally engaged in providing non-formal vocational education and training services in the PRC.

As mentioned in Fenbi's interim report for the six months ended 30 June 2023, the Fenbi Group recorded a revenue of approximately RMB1,682.3 million for the six months ended 30 June 2023, representing an increase of approximately 15.9% from approximately RMB1,451.0 million for the six months ended 30 June 2022. Profit after tax of approximately RMB81.5 million was recorded for the six months ended 30 June 2023, as compared to loss after tax of approximately RMB391.8 million for the six months ended 30 June 2022. The basic and diluted earnings per share attributable to owners of the Fenbi Group for the six months ended 30 June 2023 were RMB0.04 (30 June 2022: RMB0.54).

The closing price of Fenbi was HKD4.59 as at 31 December 2023 (9 January 2023 (first day of listing): HKD11.10).

HG

HG and its subsidiaries (the "**HG Group**") are principally engaged in the design, development, manufacturing, subcontracting service and sales of semiconductors products, including light-emitting diode (LED) beads, gallium nitride (GaN) chips, GaN components and related application products, and fast charging products in the PRC.

As mentioned in HG's interim report for the six months ended 30 June 2023, the HG Group recorded a revenue of approximately RMB45.9 million for the six months ended 30 June 2023, representing an increase of approximately 5.8% from approximately RMB43.4 million for the six months ended 30 June 2022. Loss after tax of approximately RMB51.9 million was recorded for the six months ended 30 June 2023, as compared to loss after tax of approximately RMB51.5 million for the six months ended 30 June 2022. The basic and diluted loss per share attributable to owners of the HG Group for the six months ended 30 June 2023 were RMB8.39 cents (30 June 2022: RMB9.14 cents).

The closing price of HG was HKD0.60 as at 31 December 2023 (31 December 2022: HKD2.96).

Provision of financing services

The Group provides financial services through its wholly-owned subsidiary Globally Finance Limited ("**Globally Finance**"), a company incorporated in Hong Kong since early 2015. Globally Finance holds a valid money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the "**Money Lenders Ordinance**") and is principally engaged in loan financing business by providing secured and unsecured loans to its customers. All money lending transactions to borrowers are financed by the Group's internal funds.

The Group reaches out to potential individual and corporate customers through the business and social networks of its management. Referrals of borrowers from existing clients are also welcomed. Globally Finance assesses the creditworthiness of each potential customers based on its credit policies and procedures to evaluate their loan applications.

While there are no specific industry requirements for corporate customers, corporate customers which are listed on the Main Board of the Stock Exchange are preferred. Updated financial statements from corporate customers are required for the approval of loans. There is no specific industry background requirements for individual borrowers. However, through the network of the management, existing individual borrowers are mainly merchants engaged in property investment industry. The Group requests that individual borrowers have stable incomes, free from any secured loan products (except self-residential mortgage) under other banks or financial institutions or unsecured loan products under financial institutions (except banks) by customers' declaration.

The Group adhered to its effective comprehensive policy and prudent procedures relating to loan approvals, renewals, top-ups, recovery, compliance, monitoring and anti-money laundering.

Globally Finance is operated and managed by its management committee. The management committee of Globally Finance comprised 2 individuals as at 31 December 2023, which were directors of Globally Finance. All members of the management committee have years of experience in accounting, corporate development and/or financial management experience and have overseen the business operations of Globally Finance. All loans are required to be approved by the management committee of Globally Finance.

Interest income from the Group's money lending business during the year ended 31 December 2023 amounted to approximately HKD12,891,000, showing a decrease of approximately 38.8% from approximately HKD21,063,000 in 2022. Operating profit from this business segment amounted to approximately HKD20,616,000 during the year ended 31 December 2023 (2022: operating loss of approximately HKD5,527,000).

As at 31 December 2023, the total gross amount of loan and interest receivables amounted to HKD213,272,000 (2022: HKD231,953,000) and Globally Finance Group granted loans to 11 (2022: 17) borrowers under its money lending business. 2 (2022: 2) of the borrowers were corporate borrowers and were listed companies in Hong Kong. The remaining 9 (2022: 15) borrowers were individual borrowers and the loans were personal loans. As at 31 December 2023, save for 1 (2022: 1) individual borrower (the "**Connected Borrower**"), all the other borrowers were third parties independent of and not connected with the Company and/or its subsidiaries. The annual interest rates for loans ranged from 5.0% to 7.7% (2022: 5.0% to 7.7%). The grant of loan to the Connected Borrower was on normal commercial terms and within the de minimis exemption under Chapter 14A of the Listing Rules.

Details of loans granted as at 31 December 2023 are as follows:

Borrowers	**Original principal** HKD	**Tenure**	**Interest rate**	**Secured**
Personal Borrower A	8,500,000	19/8/2020–19/8/2022 *(Note (i))*	6.0%	N
Personal Borrower B	25,000,000	21/12/2020–21/12/2023 *(Note (ii))*	5.0%	Y *(Note (ii))*
Personal Borrower C	28,300,000	21/12/2020–21/12/2023 *(Note (iii))*	6.0%	Y *(Note (iii))*
Personal Borrower D	5,300,000	8/4/2021–8/4/2023 *(Note (i))*	6.0%	N
Personal Borrower E	4,000,000	2/6/2021–1/6/2024	5.0%	N
Personal Borrower F	4,250,000	7/12/2021–7/12/2023 *(Note (i))*	6.0%	N
Personal Borrower G	2,500,000	23/12/2021–23/12/2023 *(Note (i))*	6.0%	N
Personal Borrower H	3,000,000	21/9/2022–20/9/2024	7.5%	N
	6,500,000	20/10/2022–19/10/2024	7.5%	N
Personal Borrower I	15,000,000	17/10/2022–16/10/2025	7.7%	N
Corporate Borrower A	236,000,000	7/10/2020–31/12/2024 *(Note (iv))*	7.0%	Y *(Note (iv))*
Corporate Borrower B	10,000,000	8/1/2021–7/1/2024 *(Note (v))*	7.0%	N

Notes:

(i) These loans were fully settled subsequently after the year ended 31 December 2023.

(ii) As at the date of this report, Personal Borrower B has subsequently settled approximately HKD8.5 million, leaving a remaining balance of approximately HKD19.1 million. The balance was secured by PRC properties valued at HKD21.2 million as at 31 December 2023.

(iii) As at the date of this report, Personal Borrower C has subsequently settled approximately HKD23.8 million, leaving a remaining balance of approximately HKD8.6 million. The balance was secured by PRC properties valued at the HKD17.8 million as at 31 December 2023.

(iv) Corporate Borrower A provided 65,356,000 shares of a company listed in Hong Kong to the Group as collateral with a total fair value of approximately HKD396,711,000 as at 31 December 2023. The loan was secured by collaterals which are equity securities listed in Hong Kong.

(v) Corporate Borrower B was under winding-up procedure and the outstanding balance due from this borrower has been fully written-off as at the date of this report.

The actual interest rate offered by Globally Finance is affected by a number of factors including the term and amount of the loans, the availability of collaterals and the prevailing bank lending interest rate. Applicants with stronger repayment ability usually receive more favourable financing terms and less security and/or collaterals may be required. In general, unsecured loans have higher interest rates and shorter loan terms, while secured loans usually have lower interest rates. Furthermore, the loan size is taken into consideration, with larger loans generally charging higher interest rates.

In respect of the loan granted to Corporate Borrower A, the revolving loan facility was originally granted in 2017 with an interest rate of 8%, which was the market rate at that time. The interest rate was reduced to 7% in 2020 after arm's length negotiations taking into consideration of a number of factors, including the credit assessment, the loan amount and the bank lending rate at that time. Corporate Borrower A is a company listed on the Main Board of the Stock Exchange. The grant of loan to Corporate Borrower A and the extension of loan tenor of such loan were duly approved by the shareholders of the Company at the extraordinary general meetings held on 16 December 2020 and 15 March 2024, respectively. As such, Globally Finance considered that whilst the loan amount granted to Corporate Borrower A was significantly higher than the other borrowers, the loan amount and the interest rate were justified.

To mitigate the risks associated with its business, Globally Finance has adopted a set of credit policies and procedures as set out in its credit policy and procedure manual, which gives a clear guideline for granting loans and enabling the management committee to assess the risks and financial position of the potential borrowers. Globally Finance follows standard commercial practices by conducting credit review procedures to determine the ability of applicants to fulfill their financial obligations. Applications must comply with specific credit constraints before being reviewed by the management committee of Globally Finance. Applicants are required to submit all information necessary for conducting the reviews as required by Globally Finance. In assessing a borrower's application, the following parameters must be reasonably taken into consideration:

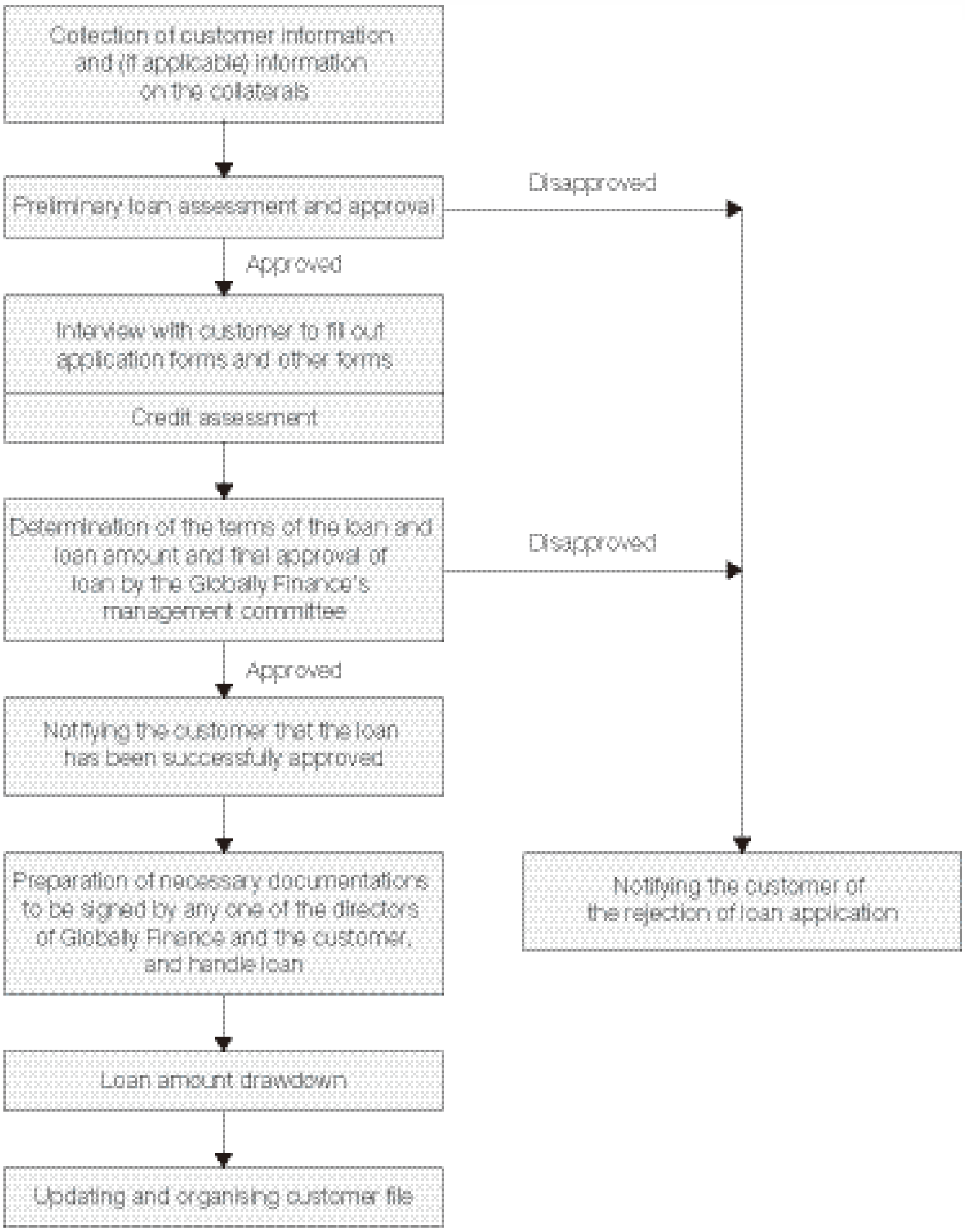
(A) the amount of Globally Finance's potential financial exposure associated with the applicant;

(B) the repayment ability of the applicant;

(C) the security and/or collaterals provided; and

(D) others, e.g. external market conditions, legal compliance etc..

Set out below is the standard credit review procedure adopted by Globally Finance:



Upon receiving the required application and supplemental information, Globally Finance will conduct a financial review to evaluate an applicant's financial viability and determine the appropriate amount of credit limit. Interest rate posed on the approved loan amount will be set with reference to the prevailing market rate, the level of risk involved in each case as well as the general economic and business environment. The interest rate shall not exceed the threshold as stipulated in the Money Lenders Ordinance.

The Group confirms that it has complied with the requirements in Chapters 14 and/or 14A of the Listing Rules when granting loans to each of the borrowers, whose loan(s) remained outstanding as at 31 December 2023.

Save for the grant of loan to the Connected Borrower as disclosed above, the Group had no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) remained outstanding as at 31 December 2023 and 2022.

During the year ended 31 December 2023, the Group assessed and estimated credit loss allowances ("**ECL**") for the loan and interest receivables according to the requirement of Hong Kong Financial Reporting Standard ("**HKFRS**") 9 issued by the Hong Kong Institute of Certified Public Accountants. In calculating the ECL rates, the Group considered historical loss rates for each category, the prevailing economic conditions, the value of the collateral and adjusts for forward looking data. Loans which were classified as 'Loss' should be written off and the final approval should be obtained from Globally Finance's management committee.

Globally Finance will conduct reviews of customers' financial standing to assess any necessary adjustments to the amounts of credit limits and collateral (if any). For the purpose of conducting such reviews, all customers will be required to submit the updated financial proof documents promptly upon Globally Finance's request. These reviews will be carried out from time to time.

Credit reviews may be performed in response to material changes in a customer's financial standing or as requested by a customer. Customers will be required to inform Globally Finance in writing of any material change in their financial status within 10 days of its occurrence. Customers are required to disclose the following material change in their financial status to Globally Finance:

– the latest income proof;

– any material change in assets/liabilities;

– bank account statement;

– property land search report; and

– the latest company balance sheet and profit or loss.

Globally Finance will review the reported material changes in terms of their impact on a customer's financial capacity. Depending on the nature of these material changes, Globally Finance may find it necessary to reassess the customer's credit limit and collateral (if any) requirements (if any).

Normally, Globally Finance will assess the repayment ability and the risk of default for each borrower every year or every half year except for the high risk borrowers, for which the assessment will be made more frequently.

Based on the result of credit assessment on debtors, the ECL on loan and interest receivables as at 31 December 2023 was approximately HKD24,865,000 (2022: approximately HKD31,491,000), and reversal of ECL on loan and interest receivables of approximately HKD3,115,000 (2022: ECL of approximately HKD9,987,000) was credited (2022: charged) to consolidated profit or loss for the year ended 31 December 2023.

High technology business

Innovation technology is an important growth engine for future economic development. Technology is leading the world into a new era, bringing a dramatic shift in the global economy. Leveraging on the expertise and experience of the directors and key management personnel, the Group has involved in high technology business for years including but not limited to technology industry, intelligent robotics and related services and artificial intelligence products and application solutions. During the year ended 31 December 2023, a revenue of approximately HKD17,134,000 (2022: approximately HKD16,071,000) was generated and a loss of approximately HKD302,000 (2022: approximately HKD18,917,000) was recorded from the segment of high technology business. During the year, the Group disposed of 51% of the share capital of Hefei Hagong Welding Research Weida Automation Technology Co. Ltd.* (合肥哈工焊研威達自動化科技有限公司) ("**Hagong Welding Research**"), an indirect subsidiary of the Company, for a total cash consideration of RMB1,500,000. Upon completion of the disposal, the Group ceased to hold any interests in Hagong Welding Research and its subsidiary. A gain on disposal of subsidiaries of approximately HKD4,838,000 was recognised during the year.

During the year ended 31 December 2023, the revenue in high technology business was contributed by integrated circuit business. The Group has built up a technical team with strong technical and education background and years of experience in robotic-related business. Their experiences and expertise cover mechanical and robotic engineering, mechanical designs and electrical designs. Moreover, the management and operation team possesses extensive professional and social networks that enables the Group to provide value-added services to its customers.

Securities brokerage business

The Group's security brokerage business is carried out through Future World Securities Investment Limited ("**FW Securities**"), a wholly-owned subsidiary of the Company. FW Securities is incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance.

During the year ended 31 December 2023, revenue of approximately HKD1,050,000 (2022: Nil) was generated and a loss of approximately HKD142,000 (2022: approximately HKD1,050,000) was recorded for the securities brokerage business.

Trading business and related services

Trading business and related services include trading of COVID-19 test kits.

Sky Faith International Investment Limited, a wholly-owned subsidiary of the Company, has been, on an exclusive basis, authorised and appointed as the Hong Kong Exclusive Authorisation Distributor (excluding Mainland China) of "OJABIO", a brand of United Cn Limited, the predecessor of which is known as Wenzhou OJA Biotechnology Co., Ltd. for (1) COVID-19 Antigen Test Kits; and (2) Real-time PCR Test Kits for COVID-19 (together as the "**Test Kits**") for a term of three years from 25 November 2020. The Test Kits are effective and efficient detection kits for qualitative determination of the presence of the COVID-19 in the human body and can provide affordable "early diagnosis" solutions for society. Relevant certifications have also been obtained for the Test Kits.

During the year ended 31 December 2023, no revenue (2022: approximately HKD1,879,000) was generated and a loss of approximately HKD705,000 (2022: approximately HKD739,000) was recorded as a whole for the segment of trading business and related services. With an aim to focus its resources and manpower on other main businesses of the Group, the Group ceased its trading business of the Test Kits since the end of 2022.

* *For identification purposes only*

FINANCIAL REVIEW

Liquidity, financial resources and funding

During the year ended 31 December 2023, the Group mainly financed its operations by cash generated from the operation, bank borrowings and net proceeds from the Rights Issue 2022 and the Rights Issue 2023 as set forth in the section headed "Use of Proceeds from the Rights Issue". The Group had total bank deposits and cash and bank balances of approximately HKD81,721,000 as at 31 December 2023 (2022: approximately HKD38,983,000). The Group had total borrowings of approximately HKD364,902,000 (2022: approximately HKD372,583,000) which were comprised of bank borrowings of approximately HKD276,783,000 (2022: approximately HKD285,914,000) and other borrowings of approximately HKD88,119,000 (2022: approximately HKD86,669,000) as at 31 December 2023.

As at 31 December 2023, among the bank borrowings of the Group, approximately HKD89,340,000 were repayable within one year, approximately HKD9,694,000 were repayable over one year but not exceeding two years, approximately HKD31,279,000 were repayable over two years but not exceeding five years and approximately HKD146,470,000 were repayable over five years. The bank borrowings had interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower and (iii) 2.5% per annum over HIBOR (1 week to 1 month).

Other borrowings of the Group were comprised of margin loans and revolving loans. The margin loan payables had a fixed interest at 7.5% per annum. The margin loan payables were repayable within one year and guaranteed by the Company as at 31 December 2023 and 2022. The revolving loans had an interest rate of 2% per annum below HKD Prime Rate.

The gearing ratio, calculated by dividing total borrowings by total equity, was 45.55% (2022: 39.83%) as at 31 December 2023. Net assets were approximately HKD801,065,000 (2022: approximately HKD935,461,000) on the same date.

As at 31 December 2023, the Group had total current assets of approximately HKD410,486,000 (2022: approximately HKD404,262,000) and total current liabilities of approximately HKD382,348,000 (2022: approximately HKD433,278,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.07 (2022: 0.93) as at 31 December 2023.

The Group's finance costs for the year were approximately HKD19,318,000 (2022: approximately HKD14,301,000) and were mainly related to interests paid on the bank borrowings and margin loans. The increase in finance costs was due to the increase in interest rate during the year ended 31 December 2023.

Pledge of assets

As at 31 December 2023, the Group's investment properties, with a carrying amount of HKD604,000,000 (2022: approximately HKD660,000,000), were pledged to secure the bank borrowings granted to the Group.

As at 31 December 2023, the Group had pledged an investment property with a carrying amount of HKD270,000,000 (2022: approximately HKD283,000,000); the securities investment under Financial Assets at FVTOCI of approximately HKD10,154,000 (2022: approximately HKD66,197,000); and the securities investment under Financial Assets at FVTPL of approximately HKD15,594,000 (2022: approximately HKD63,995,000) to secure the other borrowings.

Foreign currency management

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of each group entity. As at 31 December 2023, the Group did not have any foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

Litigations and contingencies

As at 31 December 2023, the Group had no significant litigations and contingencies (2022: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 14 employees situated in Hong Kong and China (2022: 43 employees). The Group's emoluments policies were formulated based on industry practices and performance of individual employees.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

Rights Issue 2022

On 15 December 2021, the Company announced the proposed rights issue, by way of the issue of up to 82,044,138 Shares (the "**Rights Shares 2022**"), on the basis of three rights shares for every two consolidated shares held on 4 March 2022 at the subscription price of HKD0.9 per Rights Share 2022 (the "**Rights Issue 2022**"). Upon completion of the Rights Issue 2022 on 20 May 2022, a total of 61,399,399 Rights Shares 2022 were issued pursuant to the terms of the Rights Issue 2022. The net proceeds from the Rights Issue 2022 after deducting the expenses were approximately HKD52.5 million (the "**Net Proceeds 2022**").

Upon review of the Group's operational needs, business segments and their future prospects, the Company reallocated the Net Proceeds 2022 on 24 February 2023. Details of actual usage of the Net Proceeds 2022 are as follows:

	Initial allocation of Net Proceeds 2022	**Revised allocation of Net Proceeds 2022**	**Utilised Net Proceeds 2022 as at 31 December 2023**	**Unutilised Net Proceeds 2022 as at 31 December 2023**
	HKD million	HKD million	HKD million	HKD million
Planned use				
Provision of margin financing services by FW Securities	34.0	–	–	–
Repayment of loan and interest	10.6	10.6	10.6	–
General working capital	7.9	7.9	7.9	–
Additional use				
Acquisition of a securities brokerage firm	–	8.0	–	8.0
Expand investment portfolio	–	26.0	26.0	–
Total	52.5	52.5	44.5	8.0

As at the date of this report, the unutilised Net Proceeds 2022 amounted to HKD8 million. It will be used for the acquisition of a securities brokerage firm during the year ending 31 December 2024.

For further details of the Rights Issue 2022, please refer to the Company's announcements dated 15 December 2021, 14 January 2022, 31 January 2022, 21 February 2022, 7 March 2022, 17 March 2022, 18 March 2022, 4 May 2022, 19 May 2022 and 24 February 2023, circular of the Company dated 31 January 2022 and prospectus of the Company dated 12 April 2022.

Rights Issue 2023

On 16 June 2023, the Company announced the proposed rights issue, by way of the issue of up to 116,095,491 share (the "**Rights Shares 2023**"), on the basis of one rights share for every one rights share at the subscription price of HKD0.6 per Rights Share 2023 (the "**Rights Issue 2023**"). Upon completion of the Rights Issue 2023 on 3 October 2023, a total of 116,095,491 Rights Shares 2023 were issued pursuant to the terms of the Rights Issue 2023. The net proceeds from the Rights Issue 2023 after deducting the expenses were approximately HKD64.5 million (the "**Net Proceeds 2023**").

Details of the actual usage of the Net Proceeds 2023 are as follows:

	Allocation of the Net Proceeds 2023	**Utilised Net Proceeds 2023 as at 31 December 2023**	**Unutilised Net Proceeds 2023 as at 31 December 2023**
	HKD million	HKD million	HKD million
Repayment of bank borrowings of the Group which are repayable within one year	64.5	5.4	59.1

For further details of the Rights Issue 2023, please refer to the Company's announcements dated 16 June 2023, 13 July 2023, 3 August 2023, 10 August 2023, 29 August 2023 and 12 October 2023, circular of the Company dated 10 August 2023 and prospectus of the Company dated 18 September 2023.

EVENTS AFTER THE REPORTING PERIOD

Acquisitions of Ronghuitong Junting Hotel and Ronghuitong Hotel

On 29 December 2023, Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司) ("**Shenzhen Baiyi**"), a wholly-owned subsidiary of the Company, entered into two sales and purchase agreements with respective vendors to acquire the entire interests in Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) ("**Ronghuitong Junting Hotel**") and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) ("**Ronghuitong Hotel**"), which were principally engaged in hotel management and operation in the PRC, at a total consideration of RMB17,900,001 (the "**Acquisitions**"). For details of the Acquisitions, please refer to the announcement of the Company dated 29 December 2023. The Acquisitions were completed in March 2024. As at the date of completion, Ronghuitong Junting Hotel and Ronghuitong Hotel were at pre-opening stage and are going to lease the hotel property in the PRC for its business and has secured contracts to work with the other hotel brand management companies to operate the 4 to 5 star hotels in the PRC. The Group expects to commence the hotel operations in the second half of 2024.

* *For identification purposes only*

Acquisitions of MLH Property and Zhi Ying Property

On 18 March 2024, Shenzhen Baiyi, a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement (the "**First Sales and Purchase Agreement**") with a vendor to acquire and take assignment of (i) the entire equity interest in Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) ("**MLH Property**") and (ii) the non-interest bearing and unsecured shareholder's loan provided by the vendor to MLH Property in the carrying amount of RMB32,000,000, at a total consideration of RMB35,400,000 (the "**MLH Property Acquisition**"). On the same date, MLH Property, a wholly-owned subsidiary of the Company upon the completion of the First Sales and Purchase Agreement, entered into a sales and purchase agreement with another vendor to acquire 10% equity interest in Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) ("**Zhi Ying Property**") at a consideration of RMB3,900,000 (the "**Zhi Ying Property Acquisition**", together with MLH Property Acquisition, the "**Property Acquisitions**"). MLH Property and Zhi Ying Property were principally engaged in real estate and property management in the PRC. For details of the Property Acquisitions, please refer to the announcement of the Company dated 18 March 2024. The Property Acquisitions represent an investment opportunity to expand the Group's service offerings to property management and diversified the Group's property investment portfolio in the PRC. In addition, the Group may reap the benefits from the stable rental and property management income as well as the long-term potential appreciation of the properties held by MLH Property and Zhi Ying Property. The Property Acquisitions are expected to be completed in the second quarter of 2024.

Assignment of Receivables

On 22 March 2024, the Company and Mr. Lai Long Wai ("**Mr. Lai**"), an executive Director and a substantial shareholder of the Company, entered into a deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain receivables and share charges at a consideration of HK$65,745,700 (the "**Assignment of Receivables**"). The completion of the Assignment of Receivables is subject to the approval of the Company's independent shareholders in the upcoming extraordinary general meeting of the Company. For details of the Assignment of Receivables, please refer to the announcement of the Company dated 22 March 2024. The Assignment of Receivables provides a one-off solution to the Group to recover the outstanding amounts within a foreseeable timeframe, thereby minimising the uncertainty and the credit risks associated with the receivables.

EXECUTIVE DIRECTORS

Mr. Liang Jian ("Mr. Liang")

Mr. Liang, aged 43, has been appointed as an executive director of the Company, the chairman of the Board and the chief executive officer of the Company. He is the senior vice president of 嚴格集團股份有限公司 (formerly known as 哈工大機器人集團股份有限公司) and is in charge of the sales and marketing businesses. Mr. Liang has over 16 years of experience in marketing, investment, finance and management sectors. He was an executive director of Asia Investment Finance Group Limited (stock code: 33), a company listed on the Main Board of the Stock Exchange from 28 November 2018 to 18 December 2018. Mr. Liang is also currently a director of various subsidiaries of the Company. Mr. Liang obtained a bachelor degree of mechanical design manufacturing and its automation from Harbin Engineering University in 2003 and a master degree in business administration from Tongji University (同濟大學) in the PRC in 2010.

Mr. Yu Zhenzhong

Mr. Yu Zhenzhong, aged 44, has been appointed as an executive director of the Company and the vice chairman of the Board on 13 March 2019. He is the senior vice president of 嚴格集團股份有限公司 (formerly known as 哈工大機器人集團股份有限公司) and focuses on the research and development of robots and artificial intelligence equipment. Mr. Yu Zhenzhong is also currently a director of various subsidiaries of the Company. Mr. Yu Zhenzhong obtained a doctoral degree in mechanical and electronic engineering from 哈爾濱工業大學 in 2011. He was awarded the Science and Technology Progress Award (中國商業聯合會科技進步獎) from the China General Chamber of Commerce in 2017, the Innovation Award (中國產學研合作創新獎) from the China Industry-University-Research Institute Collaboration Association in 2017 and 合肥市創新領軍人才稱號 in 2018, respectively.

Ms. Wang Qian ("Ms. Wang")

Ms. Wang, aged 48, has been appointed as an executive director of the Company and vice chairman of the Board on 31 May 2022. She has over 20 years of experience in finance, investment and management area. From October 2001 to June 2002, she was employed by PricewaterhouseCoopers Consulting, with her last position as a consultant and was primarily responsible for enterprise strategy and financial management consultation. She successively acted as a senior manager of the finance strategy & business development department at the US headquarters of Goodyear Tire & Rubber Company and the Asia-Pacific region Finance Director of Goodyear Engineered Products Company from July 2004 to March 2009, where she was primarily in charge of mergers and acquisitions, and annual operation planning, as well as organising and supervising the financial activities for Asia Pacific region. After Goodyear Engineered Products Company was acquired by The Carlyle Group, she had led several acquisitions and restructuring projects. Since March 2009, she has served as the president of HIXIH Investment, a company principally engaged in the business of equity and securities investment, and she is primarily responsible for company management and investment business, during which she has accomplished and participated in several initial public offering projects in the New York Stock Exchange, the Stock Exchange and the Shanghai Stock Exchange for companies in finance, energy and resources, high-tech industries. She received a certificate of Certified Public Accountant granted by the Accountancy Board in the USA in October 2005. Since January 2016, she has been employed by Huili Resources (Group) Limited, a company listed on the main board of the Stock Exchange (stock code: 1303), as an executive director. Ms. Wang received her bachelor of economics from the Central University of Finance and Economics in July 1998. Ms. Wang received her master of business administration from the Carnegie Mellon University in the USA in May 2004.

Mr. Yu Qingrui ("Mr. Yu")

Mr. Yu, aged 52, has been appointed as an executive director of the Company in September 2014. Mr. Yu specialises in property investment and trading business in the PRC. After graduating from high-school in 1989, Mr. Yu joined the shipping and trading business in the PRC. He was the general manager of a shipping company before he became a private investor in 2003. In 2011, Mr. Yu joined a marketing and management firm in Shanghai and served as their property investment manager. He is currently an executive director of Central Wealth which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**").

Biographical Details of Directors

Mr. Su Wei ("Mr. Su")

Mr. Su, aged 43, has been appointed as an executive director of the Company on 1 July 2022. He has over 15 years of experience in the meat trading business. From 2004 to 2013, he worked in several multinational companies and was engaged in the trading of meat products in Shanghai, the PRC. Since May 2013, He has been serving as a general manager of ESS-FOOD (Shanghai) Trading Co. Ltd. of the Danish Crown Group (丹尼斯冠(上海)貿易有限公司). He obtained a bachelor's degree in commerce (management science and marketing) in October 2003 and a graduate diploma in commerce in August 2004 from the University of Sydney, respectively.

Mr. Lai Long Wai ("Mr. Lai")

Mr. Lai, aged 47, has been appointed as an executive director and the authorised representative of the Company on 10 November 2023. He has extensive experience in the fields of accounting, finance and investment. He has been a member of The Institute of Chartered Accountants in Australia since April 2002. Mr. Lai was a Chief Financial Officer of Beijing DT Capital Management Limited (北京德圖資本管理股份有限公司) from 2016 to 2020. Prior to joining Beijing DT Capital Management Limited, he respectively worked at PricewaterhouseCoopers (PwC) – Hong Kong and Klynveld Peat Marwick Goerdeler (KPMG) – Beijing, both of which are reputable accounting firms, during 2009 to 2012. Mr. Lai was also employed by GNS China Investment Advisory Limited (吉恩思投資諮詢(中國)有限公司) in 2004 and he was responsible for expanding cross-border investment and financing business in Beijing. Mr. Lai received his Bachelor of Commerce degree from The University of Western Australia in April 1999. In February 2008, he was further awarded the degree of Master of Business Administration (MBA) jointly conferred by Fordham University in United States and the China Center for Economic Research at Peking University in Beijing, China.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. He Yi ("Mr. He")

Mr. He, aged 51, has been appointed as an independent non-executive director of the Company on 1 July 2022. He has over 23 years of experience in the financial industry. He held various senior management roles in several banks in the PRC. He first joined Credit Agricole Indosuez in the PRC in 1994 and later served as the head of treasury of First Sino Bank in 1997. He then worked for the Australia and New Zealand Banking Group Limited as the deputy general manager in the PRC. From 2008 to 2012, he joined the Shanghai branch of Barclays Bank as the general manager. In 2012, he was appointed as the chief executive officer of Nomura China Bank. In January 2015, he founded Shanghai Yaoxin Investment Management Company Limited* (上海堯信投資管理有限公司) and has been serving as an executive director and the general manager. He is also a certified public accountant in the PRC. Since May 2011, he has been serving as an independent non-executive director of Kai Yuan Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1215). Since June 2016, he has also been appointed as an independent non-executive director of Sunshine Oilsands Ltd., the shares of which are listed on the Stock Exchange (stock code: 2012). He obtained a master's degree in economics from Fudan University (復旦大學) in July 2001.

Mr. Guo Yaoli ("Mr. Guo")

Mr. Guo, aged 55, has been appointed as an independent non-executive director of the Company on 29 September 2022. He has more than 20 years of experience in the PRC legal profession. He first worked for the PRC government from 1993 to 1997. He then worked as a lawyer in various law firms in Beijing since 1999. Since June 2020, he has been employed as an independent director of Tianjin Ruixin Technology Co., Ltd. (天津鋭新昌科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300828). Since November 2022, he has also been appointed as an independent non-executive director of Sheng Yuan Holdings Limited., the shares of which are listed on the Stock Exchange (stock code: 00851). He received both his Bachelor of Laws degree and Master of Laws degree from the China University of Political Science and Law in June 1993 and in January 2001, respectively.

Mr. Bong Chin Chung ("Mr. Bong")

Mr. Bong, aged 47, has been appointed as an independent non-executive director of the Company on 3 July 2023. He has over 10 years of experience in the accounting and finance field. Mr. Bong worked at PricewaterhouseCoopers from July 2001 to November 2004, with his last position as a senior associate. Since December 2004, Mr. Bong worked for Ernst & Young and he departed in May 2007 with his last position as a manager. From February 2008 to June 2011, Mr. Bong was employed by KPMG as a senior manager. Mr. Bong received his Bachelor of Commerce degree from The Flinders University of South Australia in April 1999. He is a Certified Practising Accountant of the CPA Australia since July 2004.

COMPANY SECRETARY

Mr. Ng Kun Seng Chris ("Mr. Ng")

Mr. Ng, aged 39, has been appointed as a company secretary of the Company on 21 November 2023. He graduated from Hong Kong Polytechnic University with a Bachelor of Accounting and has over 15 years of extensive experience in the accounting, financial reporting and corporate secretarial field. Mr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants.

* *For identification purposes only*

Report of the Directors

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. Its subsidiaries are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business; details of which are set out in Note 41 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 66 to 67.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year (2022: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 166. This summary does not form part of the audited consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and a discussion and analysis of the Group's performance during the year including the material factors underlying its results and financial position and the likely future developments of its business, as required by Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance using financial key performance indicators is provided in the section headed "Financial Review" of the "Management Discussion and Analysis" of this annual report.

Principal Risks and Uncertainties

The Company has identified principal risks and uncertainties that the Group faces with respect to economic risks, business and strategic risk, financial risks, ESG risks and capital risks related to the Group's corporate structure. The Group's business, future results of operations and future prospects could be materially and adversely affected by those risks and uncertainties. The following highlights the principal risks and uncertainties of the Group and it is not meant to be exhaustive. There may be other risks and uncertainties which are not known to the Group or which may not be material now but turn out to be material in the future.

Economic risks

– A severe or prolonged downturn of economy.

– Negative effect on our operational, financing or investing activities due to inflation, fluctuations of interest rates and other measures relating to financial policies.

Business and strategic risk

The risk of material adverse changes to the Group's business performance, development prospects and/or ability to deliver its strategy, caused by changes in the business, economic, competitive, regulatory, or political environment in which the Group operates.

ESG risk

Regarding for the Group's risk management and internal control systems are based, the Group is integrating ESG (environmental, social and governance) risks into its risk management and internal control systems to better manage enterprise-wide risks. Some of the ESG risks are of particular concern to the Group including climate change, energy consumption and waste management for environmental aspect; and community investment and supply chain management for social aspect. Such integration can provide additional strategic and operational leverage for the Group.

Financial risk

Details of financial risk are set out in Note 44 to the consolidated financial statements.

Capital risk

Details of capital risk are set out in Note 42 to the consolidated financial statements.

Compliance with Relevant Laws and Regulations

During the year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

Relationships with Stakeholders

Employees are regarded as the most important and valuable assets of the Group. Competitive remuneration packages and a sound performance appraisal system with appropriate incentives are provided and implemented to attract and motivate employees. In addition, to conform to the market standard, the Group regularly reviews the remuneration package of employees and makes necessary adjustments. Moreover, the Group understands the importance of maintaining good relationship with business partners is vital to achieve its long-term goals. Thus, senior management of the Group have kept good communication, promptly exchanged ideas and shared business update with them as and when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

Environmental Policies

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its environmental impact by saving electricity and encouraging recycle of office supplies and other materials. In this year, we have strived to maintain a stable level of electricity usage, reduce water consumption and adopt more environmentally friendly vehicles to facilitate the transition to a carbon-neutral future. In the future, we will continue to assess and embed ESG in our strategic plan and strive to play a leadership role in building a brighter and more sustainable future for society.

More information has been provided in the Environmental, Social and Governance Report on pages 42 to 59.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the year are set out in Notes 16 and 18 to the consolidated financial statements respectively.

CAPITAL STRUCTURE

The share capital of the Company only comprises ordinary shares. As at 31 December 2023 and the date of this report, the Company had 232,190,982 Shares in issue.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company.

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and laws of the Cayman Islands.

RESERVES

The Company's reserves available for distribution to shareholders as at 31 December 2023 amounted to approximately HKD684,680,000 (2022: HKD832,918,000).

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 35 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

DONATIONS

No donations for charitable and other purposes were made by the Group during the year ended 31 December 2023 (2022: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue during the year attributable to the Group's five largest customers was 62.8% of the Group's total revenue, of which 16.0% was made to the largest customer.

The aggregate purchase during the year attributable to the Group's four largest suppliers was 100% of the Group's total purchase, of which 60.6% was made to the largest supplier.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's customer or suppliers during the year.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Liang Jian *(Chairman and Chief Executive Officer)*	
Mr. Yu Zhenzhong *(Vice Chairman)*	
Ms. Wang Qian *(Vice Chairman)*	
Mr. Yu Qingrui	
Mr. Su Wei	
Mr. Lai Long Wai	*(appointed on 10 November 2023)*
Mr. Yuan Yifeng	*(resigned on 31 May 2023)*
Mr. Cheung Kit Shing	*(resigned on 20 June 2023)*
Mr. Li Rui	*(resigned on 20 June 2023)*

Independent Non-Executive Directors

Mr. He Yi	
Mr. Guo Yaoli	
Mr. Bong Chin Chung	*(appointed on 3 July 2023)*
Mr. Chen Pei	*(resigned on 21 March 2023)*
Ms. Xia Liping	*(resigned on 10 November 2023)*

All directors of the Company appointed by the Board during the year ended 31 December 2023 are subject to re-election at the next following general meeting or the next following annual general meeting of the Company after their appointments. In accordance with the Company's Articles of Association, at each annual general meeting, one-third of the directors of the Company for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation.

DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 12 to the consolidated financial statements.

UPDATES ON DIRECTORS' INFORMATION

The following is updated information of Directors of the Company since the publication of the Company's interim report 2023 are disclosed as below pursuant to Rule 13.51B(1) of the Listing Rules:

1. With effect from 3 July 2023, Mr. Bong Chin Chung has been appointed as an independent non-executive director of the Company, a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee.

2. With effect from 10 November 2023, Mr. Lai Long Wai has been appointed as an executive director of the Company, a member of the Nomination Committee and the Remuneration Committee.

3. With effect from 31 May 2023, Mr. Yuan Yifeng has resigned as an executive director of the Company.

4. With effect from 20 June 2023, Mr. Cheung Kit Shing has resigned as an executive director of the Company.

5. With effect from 20 June 2023, Mr. Li Rui has resigned as an executive director of the Company.

6. With effect from 10 November 2023, Ms. Xia Liping has resigned as independent non-executive director of the Company, a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee.

Save for the above and in this annual report, there is no other information required to be disclosed in this report pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at 31 December 2023, the interests and short positions of the directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, were as follows:

Long positions in the ordinary shares and the underlying shares of the Company

Name of Directors	Capacity	Number of shares interested	Percentage of Company's issued share capital
Lai Long Wai *(Note)*	Interest of controlled corporation	24,941,589	10.74%
Yu Qingrui	Beneficial owner	133,511	0.06%

Note: These shares are held by China Clean Energy Technology Limited, which is wholly owned by Mr. Lai Long Wai, an executive Director.

Save as disclosed above, as at 31 December 2023, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Company adopted a share option scheme (the "**Scheme 2012**"). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, the Scheme 2012 was terminated and a new share option scheme (the "**Scheme 2021**") was adopted. The adoption of Scheme 2021 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2012 and shall continue to be valid and subject to the provisions of the Scheme 2012. The Scheme 2021 shall be valid and effective for a term of approximately 10 years commencing on the adoption date of the Share Award Scheme and will expire on 29 June 2031. The remaining life of the Share Award Scheme shall be approximately 7 years.

The movements in share options during the year are listed below:

			Number of share options						
Grantee	**Date of grant**	**Exercise price per shares**	**As at 1.1.2023**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**As at 31.12.2023**	**Exercise period**	**Vesting date**
Director									
Yu Qingrui	21.5.2021	2.508	483,522	–	–	(483,522)	–	21.5.2021 – 20.5.2023	21.5.2021
	17.9.2021	2.16	25,719	–	–	(25,719)	–	17.9.2021 – 16.9.2023	16.3.2022
Former director									
Lau Fai Lawrence *(Note 1)*	17.9.2021	2.16	509,241	–	–	(509,241)	–	17.9.2021 – 16.9.2023	16.3.2022
Director of a subsidiary									
In aggregate	17.9.2021	2.16	1,527,723	–	–	(1,527,723)	–	17.9.2021 – 16.9.2023	16.3.2022
Employees									
In aggregate	17.9.2021	2.16	2,062,683	–	–	(2,062,683)	–	17.9.2021 – 16.9.2023	16.3.2022
Total			4,608,888	–	–	(4,608,888)	–		

Notes:

1. Mr. Lau Fai Lawrence has resigned as an executive director of the Company on 1 July 2022.

2. The closing price of the shares immediately before 21 May 2021 and 17 September 2021 was HKD0.123 and HKD0.105 respectively.

Apart from the above movements, no share options were granted, exercised, lapsed or cancelled under the share option schemes of the Company during the year.

As at 31 December 2023, the Company did not have any outstanding share options.

Further details of the share option schemes of the Company are set out in Note 36 to the consolidated financial statements.

SHARE AWARD SCHEME

The Company adopted a share award scheme on 15 July 2015 (the "**Share Award Scheme**"). The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date of the Share Award Scheme. The remaining life of the Share Award Scheme shall be approximately one year.

The eligible persons under the Share Award Scheme shall include employees, directors of the Company or of any its subsidiary, any holder of any securities issued by any member of the Group and any business or joint venture partner, contractor, agent, vendor, supplier, licensee and other persons which have contributed or will contribute to the growth and development of the Group.

Pursuant to the Listing Rules and the terms of the Share Award Scheme, the maximum number of Awarded Shares (as defined under the Share Award Scheme) (the "**Share Award Scheme Mandate Limit**") must not exceed 10% of the Shares in issue on the adoption date of the Share Award Scheme. As disclosed in the circular of the Company dated 30 April 2018 and the announcement of the Company dated 31 May 2018, the Share Award Scheme Mandate was refreshed by way of Shareholders' approval at the annual general meeting held on 31 May 2018 and the Share Award Scheme Mandate Limit, i.e. the maximum number of Shares may be awarded under the Share Award Scheme, was 2,895,072 Shares (having taken into account the share consolidations as announced on 22 May 2020 and 15 December 2021), which represented approximately 1.25% of the issued share capital of the Company as at the date of the Annual Report. Notwithstanding the foregoing, the Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option schemes of the Company representing in aggregate over 30% of the Company's shares in issue as at the date of such grant.

The maximum number of Shares which may be awarded to a selected person (the "**Selected Person**") under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the adoption date, i.e. 88,039 Shares (having taken into account the share consolidations as announced on 22 May 2020 and 15 December 2021).

The Board may select any eligible person for participation in the Share Award Scheme and determine the number of the awarded Shares to be awarded to the Selected Person. The Board is entitled to impose any conditions (including a period of continued service within the Group after the reference date and the vesting date(s)), as it deems appropriate with respect to the entitlement of the Selected Person to the awarded Shares. Unless otherwise determined by the Board, no consideration is payable by the Selected Person on application or acceptance of an award under the Share Award Scheme. As soon as practicable after the reference date, the Board shall cause the reference amount to be paid from the Company's resources into the account or to the trustee to be held on trust for the relevant Selected Person(s) for the purchase of the awarded Shares on market at the then prevailing market prices.

Any awarded Shares and the related income thereof held in the account or by the trustee and which are referable to the Selected Person (as defined in the Share Award Scheme) shall vest in that Selected Person in accordance with the timetable and conditions as imposed by the Board at its absolute discretion, provided that the Selected Person remains at all times after the reference date and on the relevant vesting date(s) an Eligible Person of the Group (as defined in the Share Award Scheme).

The vesting period of the share awards shall be determined by the Board at the time of grant. In respect of the Selected Person who died or retired at his normal retirement date or earlier by agreement with the Group at any time prior to a vesting date, all the awarded Shares and the related income of the Selected Person shall be deemed to be vested on the date immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Group.

During the year, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2022: Nil). No share award has been granted, vested, lapsed and cancelled during the year (2022: Nil).

As at 31 December 2023, no shares of the Company were held by the trustee of the Share Award Scheme (31 December 2022: Nil).

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections “Share Option Schemes” and “Share Award Scheme” above and Note 36 “Share Option Scheme/Equity Settled Share-based Transactions” to the consolidated financial statements, at no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2023, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the ordinary shares and the underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares	Percentage of the Company’s issued share capital
China Clean Energy Technology Limited *(Note)*	Beneficial owner	24,941,589	10.74%
Tan Jinkang	Beneficial owner	22,440,000	9.66%
Yip Chun Tat	Beneficial owner	21,960,000	9.46%
Liu Mingzhong	Beneficial owner	21,320,000	9.18%
Yang XuanZi	Beneficial owner	20,880,000	8.99%
Fang Wen Wen	Beneficial owner	19,143,000	8.24%
Chu Mo Kwan	Beneficial owner	11,715,000	5.05%

Note: China Clean Energy Technology Limited is wholly owned by Mr. Lai Long Wai, an executive Director and Mr. Lai Long Wai is deemed to have interests in the Shares held by China Clean Energy Technology Limited.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2023 as required pursuant to section 336 of the SFO.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There were no transactions, arrangements or contracts in relation to the Company's businesses, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the year or any time during the year, and in which a director of the Company or an entity connected with a director of the Company had, whether directly or indirectly, a material interest, nor there were any other transactions, and a controlling shareholder or any of its subsidiaries.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. Yu Qingrui is a director of Central Wealth Group Holdings Limited ("**Central Wealth**") throughout the year as well as holding 327,170,000 shares in Central Wealth as at 31 December 2023, representing approximately 1.95% of the issued share capital of Central Wealth whose principal activities are securities and futures dealing business, financial investment, property investments, money lending business and Chinese medicine clinic business. The Company and Central Wealth are separate listing entities run by separate and independent management. Mr. Yu Qingrui cannot personally control the Board and is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, Central Wealth.

During the year, Mr. Liang Jian, Mr. Yu Zhenzhong and Mr. Chen Pei (Mr. Chen Pei resigned as independent non-executive director of the Company on 21 March 2023) held directorships in companies engaged in high technology business. Those companies have been operating under separate and independent managements. None of the abovementioned directors of the Company can personally control the Board and each of them is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the directors of the Company has any interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group that are required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

COMPETING BUSINESS

During the year ended 31 December 2023, none of the substantial shareholders of the Company or any of their associates has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

RELATED AND CONNECTED PARTY TRANSACTIONS

During the year ended 31 December 2023, the Company has not entered into other transactions with its related or connected parties which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

FINANCING AND TREASURY POLICIES

The Group continues to adopt prudent financing and treasury policies. The Group's entire financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

The executive Directors, with the assistance of the Group's financial controller, are responsible for identifying, reviewing, evaluating and analysing the investment opportunities of the Group. The executive Directors also regularly monitor the cash position and funding requirements of the Group.

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits include provident fund scheme, share option scheme, share award scheme as well as discretionary bonuses. The determination of emoluments of the directors of the Company had taken into consideration of their respective experience, responsibilities in the Company and the prevailing market conditions.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2023.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independence non-executive directors of the Company as required under Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive directors of the Company are independent.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his/her duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the directors and officers of the Company during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, at least 25% of the Company's total issued ordinary share capital was held by the public as at the date of this report.

AUDIT COMMITTEE

The Audit Committee of the Company has met the external auditor of the Company, Moore CPA Limited, and reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2023.

AUDITOR

Moore CPA Limited, the auditor of the Company, will retire and a resolution for its re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board
Liang Jian
Director

Hong Kong, 27 March 2024

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to have a better understanding and evaluate and manage risks (including environmental, social and governance risks), and to safeguard the interests of its shareholders and to enhance the performance of the Group. The Board focuses on creating long-term sustainable growth for shareholders of the Company and delivering long-term values to all stakeholders of the Group.

The Company's corporate governance practices are based on the principles of good corporate governance set out in the Corporate Governance Code in the Appendix C1 of the Listing Rules (the "**CG Code**"). The Company has complied with all code provisions during the year ended 31 December 2023 as set out in the CG Code except for the following deviations:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Liang Jian during the year. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision C.2.1 of the CG Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision F.2.2 of the CG Code stipulates that the chairman of the Board should attend the annual general meeting of the Company. Due to other business engagement, Mr. Liang Jian, the chairman of the Board, was not able to attend the annual general meeting held on 30 June 2023 (the "**2023 AGM**"). However, Ms. Wang Qian, an executive director of the Company and the vice chairman of the Board, attended and took the chair of the 2023 AGM. The Board was of the view that Ms. Wang Qian was sufficiently capable and knowledgeable to address any question at the 2023 AGM, therefore the effective communication between the Company and the shareholders of the Company was unaffected.

BUSINESS MODEL AND STRATEGY

The Group's mission is to render premium customer service by adoption of flexible business model, strategy and prudential risk and capital management framework.

By recognising the importance of stakeholders at the Board level and throughout the Group, the Company strives to create values to the stakeholders through sustainable growth and continuous development as follows:

- Reliable, consistent and transparent communication with investors and stakeholders
- Building a health company culture
- Flexible, diverse, inclusive and open culture to attract and retain talent

To achieve the Company's goals, the Board and the management have played and will continue to play an active role in the Group's development of business model to strength the culture of the Group in serving customers well with high quality service; the communication with investors and stakeholders; the Group's business strategic drive for business expansion; the determination of the Group's risk appetite and tolerance levels; and the Group's setting of strategic goals, priorities and initiatives undertaken to motivate staff to achieve business and financial targets.

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

BOARD OF DIRECTORS

As at 31 December 2023, the Board comprised nine directors, six of which are executive directors, namely Mr. Liang Jian, Mr. Yu Zhenzhong, Ms. Wang Qian, Mr. Yu Qingrui, Mr. Su Wei, Mr. Lai Long Wai; and three are independent non-executive directors, namely Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung.

Biographical details of the directors are set out under the section "Biographical Details of Directors" on pages 19 to 21 of this report. Save as disclosed in the section, to the best knowledge of the directors, the Board is not aware of any financial, business, family or other material/relevant relationships among members of the Board.

The Board is responsible for the leadership and control of the Group, overseeing the Group's businesses, strategic decisions and performance, evaluating the performance of the Group and supervising the management. In addition, the Board reserves the authority to make final decisions for all major matters of the Company, including internal control and risk management, dividend payout, material transaction, preparation and release of financial information, appointment of directors, and other significant financial matters. The Board is also responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code. In order to enhance efficiency, the Board has delegated the day-to-day responsibilities and operations to the executive directors of the Company and senior management of the Group.

Appropriate insurance cover has been arranged by the Company in respect of potential legal action against its directors and officers arising out of corporate activities of the Group.

ATTENDANCE OF DIRECTORS AND COMMITTEE MEMBERS

The following table summaries the attendance by individual director and committee member at meetings in 2023:

	Number of Board meetings attend/held	Number of Audit Committee's meetings attend/held	Number of Remuneration Committee's meetings attend/held	Number of Nomination Committee's meetings attend/held	Number of annual general meetings attend/held	Number of extraordinary general meetings attend/held
Executive Directors						
Mr. Liang Jian	2/20	–	–	–	0/1	0/1
Mr. Yu Zhenzhong	0/20	–	–	–	0/1	0/1
Ms. Wang Qian	10/20	–	–	–	1/1	0/1
Mr. Yu Qingrui	12/20	–	–	–	0/1	0/1
Mr. Su Wei	13/20	–	–	–	1/1	1/1
Mr. Yuan Yifeng *(Note 1)*	6/13	–	–	–	–	1/1
Mr. Cheung Kit Shing *(Note 2)*	13/13	–	–	–	–	–
Mr. Li Rui *(Note 3)*	3/13	–	–	–	–	–
Mr. Lai Long Wai *(Note 4)*	2/2	–	–	–	–	–
Independent Non-Executive Directors						
Mr. He Yi	15/20	2/2	2/2	2/2	1/1	1/1
Mr. Guo Yaoli	20/20	2/2	2/2	2/2	1/1	0/1
Mr. Chen Pei *(Note 5)*	0/10	–	–	–	–	0/1
Ms. Xia Liping *(Note 6)*	4/17	2/2	1/1	1/1	1/1	1/1
Mr. Bong Chin Chung *(Note 7)*	6/7	1/1	1/1	1/1	–	0/1

Notes:

1. Mr. Yuan Yifeng resigned as a director on 31 May 2023.
2. Mr. Cheung Kit Shing resigned as a director on 20 June 2023.
3. Mr. Li Rui resigned as a director on 20 June 2023.
4. Mr. Lai Long Wai was appointed as a director on 10 November 2023.
5. Mr. Chen Pei resigned as a director on 21 March 2023.
6. Ms. Xia Liping resigned as a director on 10 November 2023.
7. Mr. Bong Chin Chung was appointed as a director on 3 July 2023.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the year, the role and the duties of chairman and chief executive officer were performed by Mr. Liang Jian.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive directors are appointed with no specific term and all are subject to re-election at least once every three years under the Company's Memorandum and Articles of Association.

The independent non-executive directors are professions or executive of high caliber with diversified industry expertise and bring a wide range of skills and experience to the Group. They bring to the Group independent judgment on issues of strategy, performance, key appointments, environmental protection, risk management and internal control through their contribution at Board meetings, thus safeguarding the interests of shareholders and the Company as a whole.

The Company has received from each of the independent non-executive directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent in accordance with the independence guidelines set out in the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The appointment of a new director is made on the recommendation of the Nomination Committee and the Board and by the shareholders of the Company in a general meeting.

All directors appointed by the Board are subject to re-election at the next following general meeting or the next following annual general meeting of the Company after their appointments. All directors, including the independent non-executive directors shall retire from office by rotation at least once every three years as referred to the Company's Memorandum and Articles of Association which provides that at each annual general meeting one third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

DIRECTORS' TRAININGS

Induction package are provided to newly appointed director to ensure that each director of the Company is familiar with the role of the Board, the legal and other duties and responsibilities as director of the Company as well as the business and corporate governance practices of the Group. 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 existing directors have provided a record of training they received during the year to the Company, which includes attending seminars, reading various materials regarding directors' responsibilities, updates on the Listing Rules and corporate governance policy, etc.

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee with defined terms of reference (available on the websites of the Company and the Stock Exchange), which are of no less exacting terms than those set out in the code provisions of the CG Code.

Audit Committee

The Audit Committee was established on 1 November 2011 and currently consisted of three independent non-executive directors: Mr. He Yi (Chairman), Mr. Guo Yaoli and Mr. Bong Chin Chung. Mr. He Yi is possessing the appropriate professional accounting and financial management expertise as required under the Listing Rules.

The major roles and functions of the Audit Committee are:

1. to monitor and assess the integrity and accuracy of the financial reporting disclosures, respective accounting policies, significant accounting judgments and the requirements in respect of the interim and annual financial statements;

2. to oversee the Company's relationship with the external auditors including (but not limited to) making recommendations to the Board on their appointment, re-appointment and removal, the approval of their remuneration and their terms of engagement, and assessing their independence and objectivity;

3. to discuss with the external auditor the nature and scope of the audit before the audit commences, assess the external audit process, discuss issues arising from the interim review and annual audit, and any matters the external auditor may wish to discuss;

4. to review the effectiveness of the internal control over the financial reporting of the Group; and

5. to review the Company's financial controls, the internal audit function, the overall governance, risk management and internal control systems.

During the year, the Audit Committee held two meetings. At the meetings, the Audit Committee has met the external auditor and reviewed the audited financial statements for the financial year ended 31 December 2022 and the interim report for the six months ended 30 June 2023. The Audit Committee has also reviewed the Group's accounting policies and practices, the Listing Rules and statutory compliance, risk management, internal controls and financial reporting matters. It keeps to review the independence and objectivity of the Company's external auditors and the non-audit services provided by the Company's external auditors to the Group.

Remuneration Committee

The Remuneration Committee was established on 1 November 2011 and currently consisted of one executive director, namely Mr. Lai Long Wai and three independent non-executive directors: Mr. Guo Yaoli (Chairman), Mr. He Yi and Mr. Bong Chin Chung.

The major roles and functions of the Remuneration Committee are as follows:

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

2. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the year, the Remuneration Committee held six meetings and resolved to review and approve the remuneration policy and the remuneration packages of the directors and senior management, to approve the terms of the executive directors' service contracts, and review and/or approve matters relating to the Share Option Scheme and the Share Award Scheme. No director is involved in deciding his/her own remuneration.

Nomination Committee

The Nomination Committee was established on 20 March 2012 and currently consisted of one executive director, namely Mr. Lai Long Wai and three independent non- executive directors: Mr. He Yi (Chairman), Mr. Guo Yaoli and Mr. Bong Chin Chung.

The major roles and functions of the Nomination Committee are as follows:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

3. to assess the independence of independent non-executive directors; and

4. to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

Nomination Policy

The nomination policy of the Company (the "**Nomination Policy**") sets out the key selection criteria and procedure for the appointment of any proposed candidate to the Board or re-appointment of any existing member of the Board.

Key selection criteria

In evaluating the suitability of a proposed candidate, the Nominating Committee shall consider the following factors, namely the potential contribution the candidates would bring to the Board:

(i) character and integrity;

(ii) professional qualifications, skills, knowledge and relevant experience or accomplishment appropriate to the nature of the Company's business;

(iii) commitment in respect of available time, interest and attention to the Company's business;

(iv) diversity perspectives, including but not limited to educational background, professional experience, industry expertise, knowledge and skills;

(v) compliance with the criteria of independence under Rule 3.13 of the Listing Rules, where the candidate is proposed to be appointed as an independent non-executive directors; and

(vi) any relevant factors deemed appropriate by the Nomination Committee from time to time.

The procedure of appointing and re-appointing a director is summarized as below:

– The Nomination Committee shall invite nominations of suitable candidate(s) through channels (including but not limited to job hunter, advertisement, network of the management or the Board) for consideration by the Nomination Committee.

– For the appointment of any proposed candidate to the Board, the Nomination Committee shall evaluate the proposed candidate(s) based on the selection criteria of this policy and undertake adequate due diligence in respect of such proposed candidate(s), and make recommendation for the Board's consideration and approval.

– For the re-appointment of retiring directors, the Nomination Committee shall review the director's overall contribution and performance and consider the selection criteria of this policy, and make recommendation to the Board and/or the shareholders of the Company for their consideration in connection with the re-election of retiring directors at general meetings.

– The Board will convene a meeting to consider the appointment or re-appointment of the proposed candidates as a director.

During the year, the Nomination Committee held six meetings and resolved to review the structure, size, composition and diversity of the Board and the qualifications for all directors and senior management of the Group; assess the independence of the independent non-executive directors; identify and recommend the appointment of new director to the Board for approval and nominate the re-appointment of retiring directors to the shareholders of the Company for approval.

Board Diversity Policy

The Board has adopted a board diversity policy since 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of the policy together with the measurable objectives set for implementing the policy, and the progress made towards achieving those objectives are disclosed below.

(i) *Summary of the Board Diversity Policy*

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, cultural, educational background, professional experience, skills and know-how. The Board consists of a diverse mix of Board members in terms of age, gender and tenure of office. As at 31 December 2023, the Board has one female director out of nine directors and the directors come from a variety of backgrounds and have a diverse range of business, financial services and professional experience. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

(ii) *Measurable Objectives*

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, cultural, educational background, professional experience, skills and know-how.

(iii) *Monitoring and Reporting*

The Board and Nomination Committee will review the effectiveness of the board diversity policy and monitor the implementation of the board diversity policy annually. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2023.

The Company also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

AUDITOR'S REMUNERATION

Approximately HKD1,280,000 and HKD460,000 in relation to the audit service and non-audit related services respectively provided by the Company's auditor, were charged to the profit or loss for the year ended 31 December 2023. The non-audit services were mainly related to agreed-upon procedures on interim results, provision of internal control review and environmental, social and governance reporting support services, and acting as the reporting accountant for various circulars of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

Up to the date of this report, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, the Company's compliance with the CG Code and the disclosures in this Corporate Governance Report except for the deviations from code provisions C.2.1 and F.2.2 of the CG Code as detailed in the paragraphs headed "Corporate Governance Practices".

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and Objectives

Effective risk management is important to the Group's achievement of its strategic goals. The Group manages risk across multiple risk domains, including but not limited to business and strategic risk, economic risk, financial risk, capital risk and ESG risk as set out in the "Principal risks and Uncertainties" section under Management Discussion and Analysis. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalise the risk management of the Group, to build up a standard and effective risk management system, improve the ability of risk prevention, so as to ensure the Group is operating in a safety and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

Main Features of the Risk Management and Internal Control Systems

To ensure the efficient and effective operation of the business, relevant internal control procedures have been set up for safeguarding assets against unauthorised use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. These procedures are monitored and reviewed from time to time and updated where necessary.

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification

- Identifies risks that may potentially affect the key processes of the Group's business and operations.

Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and

- Considers the impact on the business and the likelihood of their occurrence.

Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and

- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;

- Revises the risk management strategies and internal control processes in case of any significant change of situation; and

- Reports the results of risk monitoring to the management and the Board regularly.

An independent professional adviser has been engaged to conduct an annual review of the effectiveness of the risk management and internal control systems for the Group. During the year ended 31 December 2023, the scope of review included anti-money laundering and counter-terrorist financing cycle and financial reporting cycle for one of the subsidiaries with a principal activities of provision of money lending. Major findings and areas for improvement have been reported to the Audit Committee and the Board. All recommendations would be followed up closely by the management of the Group to ensure that they are implemented within a reasonable period of time. The Group therefore considered that its risk management and internal control processes are adequate to meet the needs of the Group in its current business environment and nothing has come to its attention to cause the Board to believe the Group's risk management and internal control systems are inadequate.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

Anti-corruption policy has been established which set out the Company's commitment, the scope of the policy and the reporting channels. The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. The anti-corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Board acknowledges that it is responsible for implementing the policy and reviewing the effectiveness of the policy on an ongoing basis. All the employees are informed and expected to act with integrity, impartiality and honesty. The Group regularly organises and arranges various training on anti-corruption for the directors and employees of the Group. The details of the policy are set out in the "Environmental, Social and Governance Report" section below.

Whistleblowing policy has been established for our employees and the relevant third parties (e.g. customers, suppliers, creditors and debtors) who deal with the Group to raise concerns in confidence about suspected misconducts, malpractices or fraudulent activities relating to the Group. All employees and the relevant third parties of the Group are encouraged to report material risk issues or transactions to higher authorities pursuant to the whistleblowing policy. The whistleblowing policy is independent of management and the identity of the whistleblower will be treated with the strictest confidence. The Board acknowledges that it is responsible for implementing the policy and reviewing the effectiveness of the policy on an ongoing basis.

DIVIDEND POLICY

The Board has adopted a dividend policy which sets out the principles and guidelines of the Company in relation to the distribution of dividend to its shareholders. The Company will distribute dividends subject to the distributable profits in the financial statements prepared in accordance with the Company Law of Cayman Islands, HKFRSs and Hong Kong Accounting Standards and also to the provisions of the Company's Memorandum and Articles of Associations as well as all applicable laws.

When considering the payment of any dividends, the Board will take into account of the financial results, shareholders' interests, general business conditions and strategies, capital requirements, contractual restrictions on the payment of dividends by the Company to its shareholders or by its subsidiaries to the Company, taxation consideration, possible effects on the Company's creditworthiness, statutory and regulatory restrictions and any other factors may deem relevant. The Board will review the dividend policy of the Company as appropriate from time to time.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the 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.

INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION POLICY

The Board recognises the importance of good communications with its shareholders and investors. The Board has adopted a shareholders communication policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring that its communications with the shareholders are timely, transparent, accurate and open. The Company continues to enhance relationships and communication with its investors and shareholders of the Company and is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The annual general meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholders participation. At the annual general meeting of the Company, the directors of the Company (or their delegates as appropriate) are available to meet shareholders and answer their enquires. The detailed procedures of conducting a poll are explained to shareholders at the commencement of the general meetings to ensure that shareholders are familiar with such procedures.

The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports, announcements and circulars. The corporate website of the Company (www.fw-holdings.com) has provided an effective communication platform to the public and the shareholders. The Board will review the effectiveness and monitor the implementation of the shareholders communication policy annually.

Procedures for Shareholders to Convene an Extraordinary General Meeting

One or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings can convene an extraordinary general meeting pursuant to Article 64 of the Company's Memorandum and Articles of Association. For proposing resolution at the general meeting, shareholders should submit it in writing to the directors or the company secretary with details. If the directors of the Company do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the directors of the Company, and all reasonable expenses incurred by the requisitionists as a result of the failure of the directors of the Company shall be reimbursed to them by the Company. The Board welcomes views and questions from the shareholders who may at any time send their enquiries and concerns to the Board by post, email or facsimile. The details of contact are as follows:

Address:	Unit 612, Tai Yau Building 181 Johnston Road Wanchai, Hong Kong
Fax number:	(852) 2311-7738
Email:	info@fw-fh.com

Procedures for Shareholders to Put Forward Proposals at Shareholders' Meeting

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Memorandum and Articles of Association and the Companies Law of the Cayman Islands. Shareholders of the Company who wish to put forward proposals at general meetings may refer to the preceding paragraph to make written requisition to require the convening of an extraordinary general meeting of the Company.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

During the year ended 31 December 2023, the Board obtained the approval of the shareholders of the Company at the annual general meeting held on 30 June 2023 to amend and restate the then existing Memorandum and Articles of Association of the Company in order to bring it up-to-date and in line with the amendments made to the Listing Rules and the applicable laws of Cayman Islands. An updated version of the Company's Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

Environmental, Social and Governance Report

INTRODUCTION

The Board is pleased to present the Environmental, Social and Governance report (the "**ESG Report**") of the Group in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Group is committed towards sustainability and understands the importance of sustainable development of its business and community. The ESG Report discloses the Group's policies and practices for its commitment to sustainable development. As a platform for communication with all stakeholders, the ESG Report also makes responses to the major expectations of all stakeholders in efforts to facilitate mutual understandings.

Information relating to the Group's corporate governance practices has been set out in the Corporate Governance Report of this annual report.

The Board acknowledges its responsibilities in preparing and issuing this report, including formulating overall ESG strategy, identifying ESG-related risks, implementing internal controls, supervising stakeholder engagement and materiality assessment and prioritizing matters concerned by our Group and our stakeholders in accordance to their values and importance.

STATEMENT FROM THE BOARD

In the midst of a complex business environment, the Group devised counter measures and explored new business opportunities. We are proud that our employees were able to uphold the core values of providing the high quality services and products to our customers despite these challenging times. We appreciate the continued commitment of all our employees as well as partners in giving back to the community and supporting our customers. In 2023, the Group actively upheld its high standard sustainability principles across all business lines by regularly reviewing of the ESG internal controls and continuously applying ESG risk management.

The Group established environmental related key performance indicator to gauge the effectiveness of the current policies and to identify areas for improvement. The Group also works closely with partners and other stakeholders to promote environmental awareness.

Going forward, the Group will focus on the green environmental strategy and new ESG opportunities. The Group looks forward to playing a leading role in building a brighter and a sustainable future for the society.

REPORTING PRINCIPLE

Materiality: This ESG report disclosed: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. For detail process to identify and the criteria for the selection of material ESG factors, please refer to section "Materiality Assessment".

Quantitative: ESG data are presented numerically to enable comparability against our previous year's performance, market standards and our peers. Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. For the methodologies, assumptions, calculation tools used and source of conversion factors used, please refer to "Environmental Aspect" and "Social Aspect".

Balance: This report strives to achieve objective, fair and truthful disclosure and reflection of the Group's achievements and practices in the environment and social dimensions in 2023, and also the dilemmas encountered and improvement measures with a sense of responsibility.

Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. This report follows a consistent range of statistics and the statistics scope of 2023 corresponds with that in 2022.

SCOPE OF REPORT

The scope of the ESG Report mainly focuses on the Group's principal activities during 1 January 2023 to 31 December 2023 (the "**Reporting Period**"), which is in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business. In setting the reporting boundary, the board of directors has performed internal analysis on an annual basis and identified the major operation in Hong Kong and major operations located in Hefei of the People's Republic of China (the "**PRC**") to include in the ESG Report.

Unless otherwise stated, the information compiled in this ESG Report covers the environmental and social information and data of the main operation located in Hong Kong and Hefei of the PRC, the disclosure of systems, policies, and compliance with laws and regulations is made on a Group-wide basis. The Group has compiled KPI, as shown in this ESG Report and supplemented by notes for benchmarking purposes. The Group will continue to assess the key ESG aspects of the different businesses to determine whether they are required to be included in the ESG Report.

The information presented in the ESG Report included our Hong Kong office and PRC office.

STAKEHOLDERS ENGAGEMENT

Our sustainability framework revolves around identifying the key material ESG topics within our business operations which is conducted through our stakeholder engagement activities. We define stakeholders based on their relationship with the Group, the extent to which they are impacted by our business operations, and the degree that they affect our ability to reach our business targets.

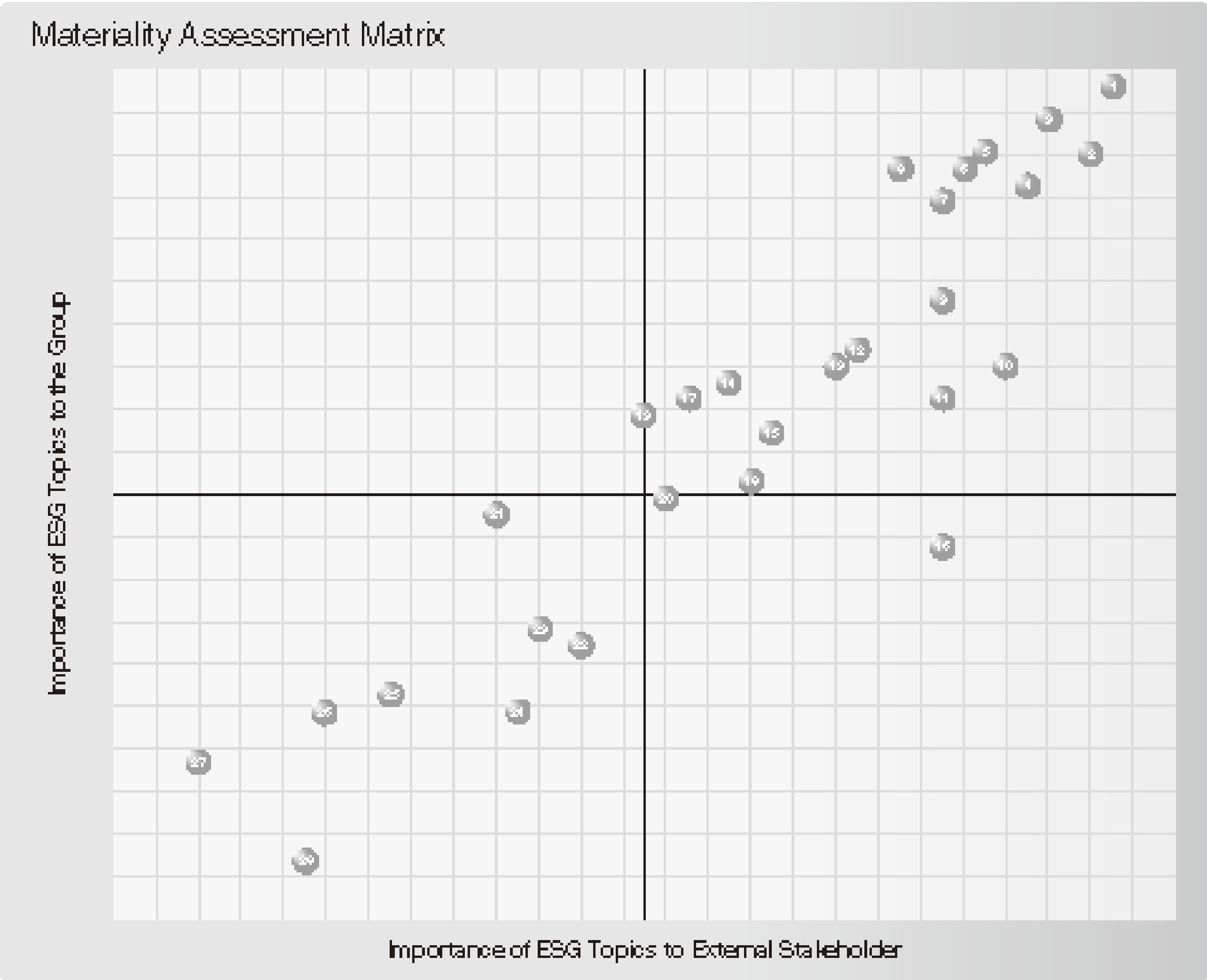
The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the sustainable development of the Group. In this regard, the Group actively explores various channels to maintain good communication with stakeholders including but not limited to shareholders, employees, customers, suppliers and business partners, local communities, government and regulatory bodies, to enhance the stakeholders' understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. This approach ensures that the Group can maintain a long-lasting relationship with our stakeholders and to achieve mutual benefits.

Stakeholders		Main interests and concerns	Communications channels
Internal stakeholders	Shareholders	• Information disclosure and transparency • Financial stability • Return on investment	• General meetings • Annual and interim reports • Official website • Press release
	Employees	• Career development opportunities • Employees' remuneration package and benefits • Health and safety of work environment	• Company events and activities • Internal meetings • Performance appraisal
External stakeholders	Customers	• Quality products and services • Customer satisfaction and privacy measure • Protect the rights of customers	• Customer satisfaction survey • Customer service hotline • E-mails
	Suppliers and business partners	• Long-term cooperation • Supplier's grading mechanism • Compliance with rules and regulation	• Conferences, telephone calls • Procurement meeting • Annual supplier performance review
	Local communities	• Corporate social responsibilities • Community interaction • Carbon footprint • Social welfare	• Community events • Official website • Charitable and volunteering activities
	Government and regulatory bodies	• Compliance with the laws and regulations • Promote regional economic development and employment • Contribution to the "net-zero" climate change goal	• Consultations • Institutional visits and inspections • Information submission • E-mails

MATERIALITY ASSESSMENT

In order to enhance our understanding of stakeholder's perspective on the Group's ESG performance and sustainability strategy, the Group identified ESG issues that are critical to the Group and stakeholders through materiality survey. Based on its actual business activities and the industry characteristics, the Group identified and determined 28 environmental, social and governance related issues and invited both internal and external stakeholders to express their opinion on such 28 issues in terms of materiality. After integrating the opinions from the stakeholders with the sustainable development goals of the Group, the management of the Group summarized the issues in priority order and prepared the materiality matrix.

The following matrix states all related issues which are material to the stakeholders, whilst the results shown on the top-right area represent the issues that are more significant for the Group in formulating future environmental, social and governance plans and objectives, aiming to create sustainable value for stakeholders.



Item	ESG Topic	Item	ESG Topic
1.	Customer satisfaction	15.	Environmentally preferable products and services
2.	Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering	16.	Cultivation of local employment
3.	Occupational health and safety	17.	Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers
4.	Preventing child and forced labour	18.	Mitigation measures to protect environment and natural resources
5.	Anti-corruption policies and whistle-blowing procedure	19.	Greenhouse gas emissions
6.	Customer information and privacy	20.	Product and service labelling
7.	Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions)	21.	Water use
8.	Employee development and training	22.	Marketing communications (e.g. advertisement)
9.	Anti-corruption training provided to directors and staff	23.	Community support (e.g. donation, volunteering)
10.	Observing and protecting intellectual property rights	24.	Energy use (e.g. electricity, gas, fuel)
11.	Climate change	25.	Hazardous waste production
12.	Diversity and equal opportunity of employees	26.	Use of materials (e.g. paper, packaging, raw materials)
13.	Selection and monitoring of suppliers	27.	Air emissions
14.	Product health and safety	28.	Non-hazardous waste production

The top issues that stakeholders are the most concerned are positioned in the above ESG topic table in descending order. In 2023, the key ESG areas of focus on were customer satisfaction, number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering, and occupational health and safety.

STAKEHOLDERS' FEEDBACK

The Group values the feedbacks made by the stakeholders for future improvements. For any comments about this ESG Report or suggestions in enhancing our sustainability performance, please feel free to contact the Group via:

E-mail:	info@fw-holdings.com
Website:	http://www.fw-holdings.com
Address:	Unit 612, Tai Yau Building 181 Johnston Road Wan Chai, Hong Kong
Telephone:	(852) 2311 7728

A. ENVIRONMENTAL ASPECT

The Group strictly adheres to laws and regulations that have material impacts on the development of the Group, such as the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Law of the People's Republic of China on Environmental Impact Assessment (中華人民共和國環境影響評價法), the Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution) 中華人民共和國大氣污染防治法), and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法).

Due to our business nature, we recognized that there are limited negative environmental impact on sewage, packaging material and hazardous waste.

We are fully aware of our responsibilities with regard to environmental protection and sustainable development. To align our environmental goal with our nations, our target is to achieve peak emission by 2030 and achieve net zero by 2060. The Group regularly reviews KPIs to ensure the alignment of national goal, if any significant fluctuations occur, we will find out the reason and formulate relevant policies to fix the deviation. Starting with the small things, such as the use of electrical appliances, water conservation, paperless office and official cars management, we have made specific regulations on daily behaviours of our employees to effectively reduce the use of water, electricity, paper and gasoline, and reduce energy consumption; at the same time, we strengthen the awareness of energy conservation and consumption reduction among all employees, which we believe it will help to develop good habits of conservation and environmental protection to all employees and laying a solid foundation for the sustainable development of the Group.

A1 Emissions

The Group's air emissions and Greenhouse Gas ("**GHG**") emissions mainly generated from the combustion of purchased electricity for office operation (both Hong Kong and the PRC) and three electric vehicles. The emissions data for the Reporting Period are presented in below together with comparative figures of preceding period:

Table 1: The Group's Total Air Emissions by Category in 2022 and 2023

Air emissions	**Unit**	2022	**2023**	**Percentage change**
Nitrogen oxides (NO_x)#	kg	33.50	–	-100.00%
Particulate matter (PM)#	kg	2.47	–	-100.00%
Total emissions from gaseous fuel consumption and vehicles	kg	35.97	–	-100.00%

No Nitrogen Oxides (NO_x) and Particulate Matter (PM) were generated in the Reporting Period, because the Group ceased its manufacturing operations along with the disposal of equity interest in Hefei Hagong Welding Research Weida Automation Technology Co. Ltd.* (合肥哈工焊研威達自動化科技有限公司) on 2 January 2023.

* For identification purpose only

Table 2: The Group's Total Greenhouse Gas Emissions by Category and Intensity in 2022 and 2023

GHG emissions	Unit	2022	2023	Percentage change
GHG emissions from Scope 1 – Direct emission*	tCO_2e	–	**–**	–
GHG emissions from Scope 2 – Indirect emission	tCO_2e	55.65	**10.34**	-81.42%
Total GHG emissions from Scope 1 and 2	tCO_2e	55.65	**10.34**	-81.42%
Intensity of total GHG emissions	tCO_2e/no. of employees	1.29	**0.74**	-42.64%

* The significant decrease in GHG emissions from Scope 2 in the Reporting Period was mainly attributable to the decrease in electricity consumption as the Group ceased its manufacturing operations during the Reporting Period.

Waste Management

During the Reporting Period, the Group did not generate hazardous waste; as for non-hazardous waste, it is mainly domestic and paper waste; we believe it is a small portion relative to our business activities and is considered insignificant in terms of our business nature. In order to minimize the environmental impacts from non-hazardous waste generated by our business operations, the Group has implemented measures to manage different types of waste and launched different waste reduction initiatives in different working areas.

- Setting preference in using double-sided printing;
- Trays are also placed to collect single-sided used papers for reuse;
- Make good use of recycling bins;
- Electronic corporate information (including annual reports, interim reports, meeting notices, circulars and proxy forms) issued to our shareholders; and
- Employees should consider communicating in electronic means or documents instead of using print-out copies.

The Group was not aware of any non-compliance with applicable laws and regulations related to emissions, discharges into waste and land, generation of hazardous and non-hazardous waste including Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) during the Reporting Period.

A2 Use of Resources

A2.1 Energy Consumption

With the office-based operation, the Group's major energy consumption were sourced from purchased electricity. During the Reporting Period, the Group's energy consumption performance is as follows:

Table 3: The Group's Energy Consumption by Type in 2022 and 2023

Energy consumption	Unit	2022	2023	Percentage change
Electricity*	kWh	92,308.00	**14,565.00**	-84.22%
Intensity of total energy consumption	kWh/no. of employees	2,148.37	**1,040.36**	-51.57%

* The significant decrease in electricity consumption during the Reporting Period was mainly attributable to the cessation of the Group's manufacturing operations during the Reporting Period.

Upon reviewing each year's energy consumption rate, the Group strives to further reduce energy consumption by adopting the following energy-saving measures:

Objectives	Energy-saving measures
Raise employees' awareness on energy conservation	• Notices posted around the working area to remind employees
Improve efficiency in using energy	• Indoor room temperatures should be maintained between 24°C – 26°C • Air filters are cleaned or replaced regularly by professional technicians to maximize cooling efficiency • Electrical appliances with high energy efficiency preferred over traditional models
Conserve energy consumption rate	• Switch off the computers after working hours • Lights and other facilities should also be switched off after use • Investigate unexpected high consumption of energy

A2.2 Water Consumption

The Group monitors and conserves our water consumption rate in order to improve the water use efficiency while we did not face any issue in sourcing water. Water consumption data are not available to the individual tenants in the Hong Kong office since it is directly managed by the building management office. Water consumption in PRC offices were only accounted for as shown below:

Table 4: The Group's Total Water Consumption by Intensity in 2022 and 2023

Water consumption	**Unit**	2022	**2023**	**Percentage change**
Total water consumption*	m^3	117.00	**–**	-100%
Intensity of water consumption	m^3/no. of employees	2.72	**–**	-100%

* There was no water consumption during the Reporting Period, because the Group ceased its manufacturing operations.

A3 The Environment and Natural Resources

Considering the nature of the business and its unique geographical advantage, climate change would exert little influence on the development of the business of the Group. The main environmental impact of the business is the indirect impact of carbon dioxide generated from the use of electricity and paper in the daily activities of the business. The Group has taken steps to reduce the environmental impact by adopting the energy saving measurement mentioned in A1 Emissions and A2 Use of Resource.

A4 Climate Change

In the recent 2022 United Nations Climate Change Conference of the Parties (COP27), leaders around the globe continued worked together to search for solutions to address the worldwide challenges caused by climate change. As every nation has stepped up their efforts to address the challenges caused by climate change, the Group has also been closely monitoring the climate-related risk and exploring new opportunities. If there are any high-risk areas, the Group will prioritize resources to address and mitigate these risks. The Group's approach to the climate risk assessment falls under two categories, namely, physical risk and transition risk.

Physical Risk

Acute physical risk: Acute physical risk arises from event-driven weather related events, such as typhoons, tsunamis and thunder storms. The service related business segments including provision of financing services, securities trading and investment and trading business would likely be impacted by these weather events. However, damage to our properties in our property investment business or damage to our inventories of the trading business may occur to an extent. In addition, there could also be temporary business disruptions which would affect our relationship with the customer. Contingency plans have been developed to mitigate the potential impact of various weather events to lower the resilient risk.

Chronic: Chronic physical risk arises from the longer term changes in climate patterns. For example, this includes reduced precipitations, increase in the average temperature and the rise in sea level. Similar to the acute physical risk, the service orientated business segments will be subject to a lower chronic physical risk. Relative to the aforementioned business segments, the technology business may be slightly impacted has our products may need be catered to the changes in the environment. As a result, the Group has taken into account of the potential impacts of climate pattern changes on the business.

Transition Risk

Policy and legal risk: With the net-zero initiative in our business's operation region, the Group anticipates there could be new regulatory changes in the operating environment. The service related business segments are less likely to be subjected to these environmental policies. Although the Group does produce technological products for the customers, the process does not involve in generating large amount of pollutants or rely on the large quantity of natural resources. As a result, the policy and legal risk is regarded as low.

Technology risk: The Group strives to leverage on technology to not only reduce the impact on the environment but also to invent new ways to deliver an innovative solution for our large clientele. Since the technology in our business operation in particular the technology business utilizes low-emission production methods and machinery, the technology risk would be relatively low.

Market risk: The Group understands that the innovation and technology is a vital growth engine for the future sustainable economic development, and an important role in reducing the overall carbon footprint in the economy. There is growing trend in the integration of technologies into the Company's operating environment and hence, the Group is currently focusing in this area. The market risk is relatively low as the Company has already furthered its position in this industry.

Reputational risk: Overall, the Group's business operation does not utilize large amount of natural resources or emit significant amount of pollutants into the atmosphere. With the large proportion of the revenue from the technology industry, the reputational risk is regarded as low.

B. SOCIAL ASPECT

B1 Employment

As an employer, we believe that a diverse work environment will fuel innovation and ideas which is essential to our business and serve as the core competitive advantage. The Group respects and protects the rights and interests of every individual employee, employees' occupational health and safety, safeguards employees' interest, fully respects and values employees' enthusiasm, initiative and creativity, and strives to build a harmonious labour relationship.

The Group was not aware of any material non-compliance with any relevant laws and regulations, including:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法); and
- Insurance Law of the People's Republic of China (中華人民共和國社會保險法)

that had created significant impacts on the business and operations of the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Reporting Period.

B1.1 Total Employment

We believe that working in a diverse and harmonious environment is the cornerstone of achieving our corporate goal – to deliver the best service to our customers in terms of cost, quality and products. The Group will continue to strive for gender diversity in different positions and levels. At the end of the Reporting Period, the Group had a total of 14 employees (2022: 43 employees) The total workforce categorised by (i) gender, (ii) employment category, (iii) age group and (iv) geographical area is shown below:

Table 5: The Group's Total Workforce by Gender, Employment Category, Age Group and Geographical Region in 2022 and 2023

Total Employment	Categories	2022	2023	Percentage change
Gender	Male	32	**8**	-75.00%
	Female	11	**6**	-45.45%
Employment category	Full time	42	**14**	-66.67%
	Part time	1	**–**	-100.00%
Age group	Below 30	11	**4**	-63.64%
	30–50	26	**10**	-61.54%
	Above 50	6	**–**	-100.00%
Geographical region	Mainland China	18	**4**	-77.78%
	Hong Kong	25	**10**	-60.00%

The Group understands that a competitive remuneration package together with good benefits and welfare encourage retention and foster a sense of belonging. The Group offers a comprehensive remuneration package as well as sound training programs for realizing their potentials and giving full play of their strengths for all its employees, and employees are remunerated fairly according to their contributions with reference to the market practice.

We conduct regular performance appraisals for our employees and all employees are given equal opportunities for promotions depending on their job performance, to ensure that the remuneration package given fairly and appropriately, still remains competitive to maintain a strong performance culture in the Group. On top of basic salary, the Group offers medical insurance coverage, five-day working arrangement, statutory holidays, paid annual leave, sick leave and maternity leave. Especially on festivals such as the Chinese New Year's Eve, Mid-Autumn Festival, Winter Solstice, Christmas Eve and New Year's Eve, employees are allowed to be dismissed earlier to celebrate with their families and friends.

The Group also holds social gathering activities and encourage employees' voluntary participation aiming at providing opportunities for employees to get connected with each other and creating a harmonious working environment. It is mutually beneficial to both the Group and employees as it provides employees a sense of belonging and self-worth, which helps foster better collaboration, positive work relationship and work performance.

B1.2 Employee Turnover

During the Reporting Period, the Group's overall employee turnover rate was approximately 116% in 2023 (2022: 28%). A high turnover rate was recorded due to the cessation of manufacturing operations during the Reporting Period. The table below shows the employee turnover rate by (i) gender, (ii) age group and (iii) geographical region:

Table 6: The Group's Employee Turnover Rate by Gender, Age Group and Geographical Region in 2022 and 2023

Percentage of turnover rate	**Categories**	2022	**2023**
Gender	Male	28%	**135%**
	Female	27%	**71%**
Age group	Below 30	0%	**200%**
	30–50	31%	**125%**
	Above 50	67%	**100%**
Geographical region	Mainland China	19%	**114%**
	Hong Kong	36%	**94%**
Overall employee turnover rate		28%	**116%**

Moreover, the Group commits to provide a vast range of employment benefits to attract and retain talents. All employees are entitled to equal opportunities in terms of recruitment, training and development, job advancement, compensation and benefits. Employees are free from discrimination regardless of gender, ethnic, background, religion, colour, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws. Employees are encouraged to file a report if any violations or suspicions on sexual harassment are discovered, the cases will then be promptly investigated, whereas disciplinary actions will be executed on related personnel when necessary.

We do not dismiss our employees unnecessarily or unfairly, unless an employee fails to comply with our company policies and has committed an act of misconduct where, after serious consideration, termination is the disciplinary action.

B2 Health and Safety

The Group attaches great importance to providing employees with a safe and healthy working environment. As the operation of the Group belongs to general office operation, it does not involve high risk or high hazard work. Nevertheless, the Group had implemented the following measures in guaranteeing the health and safety of our employees:

- Smoking inside office premises is strictly prohibited;
- Diagrams with emergency exit indication and escape routes are posted at accessible areas;
- First aid boxes and other medical supplies are regularly being refilled and located at areas with easy access;
- Regular disinfection of office and high touchpoints; and
- In the event of extreme weather such as typhoons, employees are allowed to leave earlier after permissions are granted from their managers.

During the Reporting Period and the past three years, the Group had not identified work related injuries or fatalities and there are no lost days due to work injuries also. The Group was not aware of any non-compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法) and other relevant rules and regulations related to occupational health and safety in the Reporting Period.

B3 Development and Training

The Group believes that continuous education is the key to maintain the professionalism of staff, and it plays a key role to the Group's business growth and long-term sustainable development. Through employee workshops, these would facilitate the management's selection on potential talents to receive further training, subsequently the Group would be able to allocate new job responsibilities for designated employees based on their capabilities. Employees are allowed to attend training courses during office hours when necessary.

The percentage of total employees who took part in training in 2023 is 32% (2022: 12%). The tables below show (i) the breakdown of total employees trained by gender and employment category and (ii) the average training hours completed per employee by gender and employment category:

Table 7: Breakdown of Total Employees Trained by Gender and Employee Category in 2022 and 2023

Breakdown of total employees trained	Category	Units	2022	2023
Gender	Male	%	60%	**78%**
	Female		40%	**22%**
Employment category	Senior management		20%	**44%**
	Middle management	%	40%	**56%**
	Frontline and other employees		40%	**0%**

Table 8: Average Training Hours Completed per Employee by Gender and Employee Category in 2022 and 2023

Average training hours completed per employee	Category	Units	2022	2023
Gender	Male	hours	2.13	**3.60**
	Female		7.36	**2.00**
Employment category	Senior management	hours	3.64	**1.33**
	Middle management		6.83	**8.78**
	Frontline and other employees		1.35	**–**
Overall average training hours completed per employee		hours	3.47	**3.12**

B4 Labour Standards

The Group is fully aware that exploitation of child and forced labour belongs to a violation of human rights and international labour conventions, therefore the Group strictly prohibits the occurrence of child labour or forced labour employment. In addition, the Group had extended our requirements for our partners or suppliers to follow along this standard. The applicable laws and regulations include Employment of Children Regulations and Employment of Young Persons (Industry) Regulations under the Employment Ordinance of Hong Kong, the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and the Labour Law of the People's Republic of China (中華人民共和國勞動法). The Group has continued to reinforce the process of recruitment that our Human Resources Personnel should verify the new joiner in reaching the legal minimum age for employment and should avoid in breaching any discriminatory requirements. Any labour-related issues will be handled with diligently and appropriate actions will be taken seriously, such as termination of employment contract.

During the Reporting Period, the Group was not aware of any incidents which were non-compliant with laws and regulations related to the prevention of child labour, forced labour or other employment-related issues.

B5 Supply Chain Management

The Group attaches great importance in connecting with our suppliers, as it is one of the key aspects in building up the Group's business in functioning smoothly. The Group maintains strategic partnerships with and supports our suppliers through an open and fair procurement process. The Group has also established processes in accordance with certain standards and requirements set by us to select and evaluate suppliers to ensure that the purchased goods comply with relevant standards and criteria. Procurement decisions take into account the following aspects of the potential suppliers: compliance with laws and regulations, past experience in product or services, products and services quality and the current market price.

As the Group prefers selecting suppliers who share the same environmental, social and ethical values with us, the Group also pays attention to the supplier' past environmental compliance record as well as their commitment to social responsibility part from the products and services quality. In 2023, the Group partnered with 4 key suppliers in total (2022: 92), the significant decrease in the number of suppliers was mainly due to the cessation of the Group's manufacturing operations during the Reporting Period. By referring to the primary location in which products and services are provided by suppliers, all key suppliers are located in the PRC.

During the Reporting Period, the Group was not aware of any suppliers that had any actions or practices which had caused significant negative impacts on business ethics, environmental protection, labour practices and human rights.

B6 Product Responsibility

The Group has established effective measures to deal with the issues of product quality to ensure all products that are supplied to our customers meet the requirements for product safety and quality. As abovementioned, the supplier's background and the quality of their products and services is assessed and evaluated by the Group before admitted as qualified suppliers.

Customers' feedback is always welcomed by the Group regardless of whether it is a positive compliment or recommendation of areas of improvement. The Group treasures the valuable piece of advice from its customers as an opportunity to gather experience and enhance service quality. Any complaint received from the customers will be handled seriously and timely followed-up.

During the Reporting Period, the Group was not aware of any products sold or shipped subject to recalls for safety and health reasons and any complaints related to products and services provided.

The Group is also committed to protecting the personal privacy of customers, employees, suppliers and business partners. The Group requires that personal data collected in any format or through any platform can be used only with the knowledge and consent. The Group has also taken the following appropriate precautions to prevent unauthorized or accidental access, processing, deletion, loss or use of such information:

- Strict policies have been set up in demanding our employees in handling personal privacy data attentively;
- Only personal information which are relevant and required for the business transaction will be requested;

- No personal data would be collected by a third party without any consent and authorization permitted from the owner;
- Personal data will only be applied for a directly related purpose;
- Application needed for before extending the use of personal data; and
- Firewalls and related systems are updated regularly to safeguard unauthorized access to the personal information database.

During the Reporting Period, the Group was not aware of any material non-compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of in Hong Kong) and other applicable local laws for data privacy.

All types of intellectual properties are protected as well as managed under the Group's senior management. Under our intellectual property management system, the Group regularly reviews, amends and enhances the intellectual property protection measures. The Group has obtained a license for the use of third-party software, information and other relevant products.

B7 Anti-corruption

The Group adopted an anti-corruption policy and strictly complies with all laws and regulations, and is fully committed to restricting any illegal activities, including corruption and bribery. The Group requires staff to understand and avoid any forms of illegal activities, work together in protecting the Group during daily operations and prevent any corruption activities. The Employee Handbook sets out the relevant guidelines on work ethics and the prevention of fraud, negligence, anti-bribery and corruption. All employees are given with an Employee Handbook upon employment, and must abide by the rules and guidelines during their employment.

The Group is committed to cultivating an open, transparent and fair internal management culture with honesty and trustworthiness forming the basic code of conduct for all employees, especially leadership. Advancing our anti-corruption compliance program also remains a key priority.

In 2023, directors and staff were encouraged to independently review educational materials and regulatory guidance on evolving anti-bribery standards published by authorities. Looking ahead, we recognise the need to strengthen formal training and have begun actively exploring different platforms for delivering mandatory training to all personnel in 2024. This may include computer-based modules, in-person seminars or webinars conducted by compliance specialists.

By resuming dedicated training initiatives next year, we aim to unambiguously communicate our zero-tolerance approach towards corruption. The training will also help equip employees with the knowledge and judgment to identify and handle any improper conduct appropriately. Ongoing reinforcement of ethical business practices and individual accountability will ensure the highest integrity standards are consistently upheld across our operations and stakeholder engagements.

The Group has established a whistle-blowing mechanism to handle misconduct under the supervision of the Group's Chairman and the representatives of the Audit Committee.

Employees are allowed to report and submit evidence of the suspected or confirmed misconduct to the Group's Chairman and/or an Audit Committee representative in verbal or written form (either anonymous or bearing a name), and thereafter the Group shall launch internal investigations. In case of violation of the laws, the Group shall follow procedures to file to the relevant authority.

In order to maintain a fair and ethical working environment, the Group abided by the local laws and regulations related to anti-corruption, including but not limited to the following:

- Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong);
- Anti-corruption Law of the People's Republic of China (中華人民共和國反腐敗法); and
- Law of the People's Republic of China on Anti-Money Laundering (中華人民共和國反洗錢法)

The Group does not tolerate malpractices, corruption, bribery, and concealment. If any case of the above is confirmed, strict disciplinary actions will be taken immediately. During the Reporting Period, the Group or our employees were not involved in non-compliance with the laws and regulations related to the prevention of corruption, bribery, extortion, fraud and money laundering, and have not been involved in related lawsuits.

B8 Community Investment

The Group is committed to being an engaged corporate citizen and demonstrating social responsibility. As part of our strategic development, we aim to strengthen communities through sustainable partnerships and employee volunteerism.

While no direct financial donations were made in the Reporting Period due to budgetary limitations, we continued supporting our cultural of corporate social participation in other ways. For example, we encouraged employees to voluntarily assist non-profit causes on their own time to increase civic awareness and foster positive social values.

Going forward, we will explore more impactful ways to give back through targeted sponsorships and initiatives aligned with our business and United Nations Sustainable Development Goals. Potential focus areas may include education, healthcare, environmental protection or disaster relief. We also aim to formalize an employee volunteer program and systematically track participation hours.

Despite challenges, nurturing socially responsible practices remains important for the well-being of those we serve. The Group is dedicated to strengthening our approach and making measurable contributions that leave a lasting positive influence on communities for years to come.

MOORE

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大華馬施雲 會計師事務所有限公司

Independent Auditor's Report to the Shareholders of Future World Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Future World Holdings Limited and its subsidiaries (together, the "**Group**") set out on pages 66 to 165, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year 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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), 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.

Estimation of fair value of investment properties

Refer to Notes 4, 5 and 18 to the consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
The Group has three investment properties in Hong Kong and nineteen investment properties in the People's Republic of China. Such investment properties are measured at a total fair value of approximately HKD770,723,000 as at 31 December 2023. Significant estimation and judgement are required by the management of the Company to determine the fair values of the investment properties. To support management's estimation of the fair values, the Group engaged an external valuer to perform valuation on the investment properties as at 31 December 2023.	Our key procedures to address the matter included: • Understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors; • Evaluated the objectivity, independence and competency of the external valuer; • Assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and inputs adopted in the valuation for estimating the fair values of the investment properties; • Challenged the external valuer's key inputs adopted in the valuation for estimating the fair values of the investment properties and inspected the underlying documents or data to support those key inputs; and • Engaged an auditor's expert to assist our assessment on the appropriateness of the methodologies and the reasonableness of the assumptions and key input data adopted in the valuation.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of other receivables and loan and interest receivables

Refer to Notes 4, 5, 24, 26 and 44(b) to the consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2023, the Group had (i) other receivables and (ii) loan and interest receivables (net of credit loss allowances) amounting to approximately HKD47,732,000 and HKD198,278,000, respectively. The Group had recognised credit loss allowances on (i) other receivables and (ii) loan and interest receivables amounting to approximately HKD24,251,000 and HKD28,376,000 respectively as at 31 December 2023. The measurement of expected credit loss ("**ECL**") requires the application of significant judgement and increased complexity. We have identified management's impairment assessments on the Group's other receivables and loan and interest receivables as a key audit matter because their carrying amounts are significant and the assessments required significant management judgement and involved high level of estimation uncertainty. To support management's estimation of the fair values, the Group engaged an external valuer to perform valuation on the ECL of other receivables and loan and interest receivables.	Our key procedures to address the matter included: • Understood management's controls and processes for assessing the creditworthiness, granting credit limits and credit period to debtors; • Assessed management's credit risk assessment on loans and response to credit risk mitigations for outstanding debts which are consistent with the Group's credit policy; • Evaluated the objectivity, independence and competency of the external valuer; • Evaluated the ECL models, inputs and assumptions used by the Group in calculating the ECL; • Assessed the reasonableness of the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment; • Challenged whether historical experience is representative of current circumstances and of the recent losses incurred in the debtors and assessed the reasonableness of forward-looking adjustments, including the economic variables and assumptions used in each of the economic scenarios and their probability weightings; • Assessed the adequacy of the ECL recorded by reviewing expected settlements and any correspondence with debtors about expected settlement dates, as well as any collaterals obtained from debtors; and • Assessed the consolidated financial statement disclosures relating to the Group's exposure to credit risk.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the Corporate Information, Management Discussion and Analysis, Biographical Details of Directors, Report of the Directors, Corporate Governance Report, Environmental, Social and Governance Report and Five-Year Financial Summary (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Chairman's Statement, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to audit committee of the Company and take appropriate action considering our legal rights and obligations.

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

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

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

The audit committee of the Company assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

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

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

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

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

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

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

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

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

We communicate with the audit committee of the Company 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.

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

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

Moore CPA Limited
Certified Public Accountants

Ng Ngai Yan
Practising Certificate Number: P07422

Hong Kong, 27 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	**2023 HKD'000**	2022 HKD'000
Net realised (loss)/gain from securities trading and investment	6	**(4,524)**	33
Revenue	6	**38,948**	47,137
Cost of sales		**(17,311)**	(18,620)
Gross profit		**21,637**	28,517
Other income and gains	8	**2,400**	1,091
Selling and distribution costs		**(23)**	(530)
Administrative expenses		**(30,452)**	(31,686)
Provision for credit loss allowances on trade receivables, net	44(b)(ii)	**(989)**	(6,197)
Provision for credit loss allowances on other receivables	44(b)(ii)	**(12,195)**	(11,886)
Reversal of/(provision for) credit loss allowances on loan and interest receivables, net	10	**3,115**	(9,987)
Reversal of/(provision for) expected credit loss on loan commitment, net	10	**6,512**	(3,763)
Provision for expected credit loss on investment in corporate bond	10	**(2,746)**	(4,990)
Change in fair value of investment properties	18	**(67,069)**	(12,860)
Change in fair value of financial assets at fair value through profit or loss		**(50,691)**	47,130
Impairment loss on property, plant and equipment	10	**(1,455)**	–
Share of loss of an associate		**–**	(45)
Share-based payment expenses		**–**	(848)
Gain on disposal of subsidiaries	37	**4,838**	137
Operating loss		**(131,642)**	(5,884)
Finance costs	9	**(19,318)**	(14,301)
Loss before income tax	10	**(150,960)**	(20,185)
Income tax (expense)/credit	11	**(1,571)**	4,580
Loss for the year		**(152,531)**	(15,605)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	**2023** **HKD'000**	2022 HKD'000
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(1,764)**	(13,332)
Release of exchange reserve upon disposals of subsidiaries		**(226)**	(65)
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income	20	**(56,043)**	(4,128)
Other comprehensive loss for the year, net of income tax		**(58,033)**	(17,525)
Total comprehensive loss for the year		**(210,564)**	(33,130)
Loss for the year attributable to:			
Owners of the Company		**(151,730)**	(7,021)
Non-controlling interests		**(801)**	(8,584)
		(152,531)	(15,605)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(211,052)**	(24,944)
Non-controlling interests		**488**	(8,186)
		(210,564)	(33,130)
		HKD	HKD (Restated)
Loss per share attributable to the owners of the Company	15		
Basic and diluted		**(1.01)**	(0.07)

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 HKD'000	2022 HKD'000
Non-current assets			
Property, plant and equipment	16	**570**	2,353
Right-of-use assets	17	**1,845**	3,755
Investment properties	18	**770,723**	840,454
Interest in an associate	19	**–**	–
Financial assets at fair value through other comprehensive income	20	**10,154**	66,197
Investment in corporate bond	21	**14,039**	15,010
Loan receivables	24	**10,978**	30,758
Deferred tax assets	25	**6,877**	8,237
Rental deposit	26	**249**	1,485
		815,435	968,249
Current assets			
Inventories	23	**–**	7,566
Loan and interest receivables	24	**187,300**	169,704
Financial assets at fair value through profit or loss	22	**88,833**	120,033
Trade, bills and other receivables	26	**52,632**	67,945
Contract assets	29(i)	**–**	31
Cash and bank balances	27	**81,721**	38,983
		410,486	404,262
Current liabilities			
Trade payables, accruals and other payables	28	**14,638**	52,018
Contract liabilities	29(ii)	**–**	3,868
Lease liabilities	30	**1,595**	3,830
Bank borrowings	31	**276,783**	285,914
Other borrowings	32	**88,119**	86,669
Tax payables		**1,213**	979
		382,348	433,278
Net current asset/(liabilities)		**28,138**	(29,016)
Total assets less current liabilities		**843,573**	939,233

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	**2023** **HKD'000**	2022 HKD'000
Non-current liabilities			
Bond payable	33	**42,200**	–
Lease liabilities	30	**308**	3,772
		42,508	3,772
Net assets		**801,065**	935,461
Capital and reserves			
Share capital	34	**92,876**	46,438
Reserves	35	**708,189**	899,713
Equity attributable to the owners of the Company		**801,065**	946,151
Non-controlling interests		**–**	(10,690)
Total equity		**801,065**	935,461

The consolidated financial statements on the pages from 66 to 165 were approved and authorised for issue by the board of directors on 27 March 2024 and are signed on its behalf by:

Lai Long Wai
Director

Liang Jian
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to owners of the Company									
	Share capital HKD'000 *(Note 34)*	Share premium HKD'000 *(Note 35)*	Share option reserve HKD'000 *(Notes 35 & 36(a))*	Translation reserve HKD'000 *(Note 35)*	Fair value reserve (non-recycling) HKD'000 *(Note 35)*	Statutory reserve HKD'000 *(Note 35)*	Accumulated losses HKD'000	Total HKD'000	Non-controlling interests HKD'000	Total HKD'000
At 1 January 2022	21,878	1,548,288	5,428	14,820	(349,701)	1,726	(324,623)	917,816	(2,564)	915,252
Loss for the year	–	–	–	–	–	–	(7,021)	(7,021)	(8,584)	(15,605)
Other comprehensive (loss)/income, net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	(13,730)	–	–	–	(13,730)	398	(13,332)
Release of exchange reserve upon disposal of subsidiaries	–	–	–	(65)	–	–	–	(65)	–	(65)
Change in fair value of financial assets at fair value through other comprehensive income *(Note 20)*	–	–	–	–	(4,128)	–	–	(4,128)	–	(4,128)
Other comprehensive loss for the year, net of income tax	–	–	–	(13,795)	(4,128)	–	–	(17,923)	398	(17,525)
Total comprehensive loss for the year	–	–	–	(13,795)	(4,128)	–	(7,021)	(24,944)	(8,186)	(33,130)
Issuance of shares upon rights issue and placing, net of transaction costs *(Note 34(iii))*	24,560	27,871	–	–	–	–	–	52,431	–	52,431
Lapse of share options *(Note 36(a))*	–	–	(4,222)	–	–	–	4,222	–	–	–
Recognition of equity-settled share-based payments	–	–	848	–	–	–	–	848	–	848
Release of fair value reserve upon disposal of financial assets at fair value through other comprehensive income	–	–	–	–	223,131	–	(223,131)	–	–	–
Disposal of subsidiaries *(Note 37)*	–	–	–	–	–	(300)	300	–	60	60
At 31 December 2022 and 1 January 2023	**46,438**	**1,576,159**	**2,054**	**1,025**	**(130,698)**	**1,426**	**(550,253)**	**946,151**	**(10,690)**	**935,461**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(151,730)**	**(151,730)**	**(801)**	**(152,531)**
Other comprehensive (loss)/income, net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	**-**	**-**	**-**	**(3,053)**	**-**	**-**	**-**	**(3,053)**	**1,289**	**(1,764)**
Release of exchange reserve upon disposal of subsidiaries	**-**	**-**	**-**	**(226)**	**-**	**-**	**-**	**(226)**	**-**	**(226)**
Change in fair value of financial assets at fair value through other comprehensive income *(Note 20)*	**-**	**-**	**-**	**-**	**(56,043)**	**-**	**-**	**(56,043)**	**-**	**(56,043)**
Other comprehensive loss for the year, net of income tax	**-**	**-**	**-**	**(3,279)**	**(56,043)**	**-**	**-**	**(59,322)**	**1,289**	**(58,033)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(3,279)**	**(56,043)**	**-**	**(151,730)**	**(211,052)**	**488**	**(210,564)**
Issuance of shares upon rights issue and placing, net of transaction costs *(Note 34(iv))*	**46,438**	**19,528**	**-**	**-**	**-**	**-**	**-**	**65,966**	**-**	**65,966**
Lapse of share options *(Note 36(a))*	**-**	**-**	**(2,054)**	**-**	**-**	**-**	**2,054**	**-**	**-**	**-**
Disposal of subsidiaries *(Note 37)*	**-**	**-**	**-**	**-**	**-**	**(1,426)**	**1,426**	**-**	**10,202**	**10,202**
At 31 December 2023	**92,876**	**1,595,687**	**-**	**(2,254)**	**(186,741)**	**-**	**(698,503)**	**801,065**	**-**	**801,065**

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 HKD'000	2022 HKD'000
Cash flows from operating activities			
Loss before income tax		**(150,960)**	(20,185)
Adjustments for:			
Dividend income from financial asset at fair value through other comprehensive income		**–**	(590)
Interest income on bank deposits	8	**(83)**	(34)
Interest income from unlisted corporate bond	8	**(1,500)**	(275)
Finance costs	9	**19,318**	14,301
Depreciation of property, plant and equipment	10	**374**	349
Written-off of property, plant and equipment	10	**69**	–
Gain on disposal of property, plant and equipment	10	**(609)**	–
Impairment on property, plant and equipment	10	**1,455**	–
Depreciation of right-of-use assets	10	**2,572**	907
(Reversal of)/provision for credit loss allowances on loan and interest receivables, net	10	**(3,115)**	9,987
Provision for credit loss allowances on trade receivables, net	10	**989**	6,197
Provision for credit loss allowances on other receivables, net	10	**12,195**	11,886
(Reversal of)/provision for expected credit loss on loan commitment, net	10	**(6,512)**	3,763
Provision for expected credit loss on investment in corporate bond	10	**2,746**	4,990
Change in fair value of investment properties	18	**67,069**	12,860
Share of loss of an associate		**–**	45
Change in fair value and net realised loss/(gain) from disposals of financial assets at fair value through profit or loss	22	**55,215**	(47,163)
Share-based payment expenses		**–**	848
Gain on disposal of subsidiaries	37	**(4,838)**	(137)
Operating cash flows before movements in working capital		**(5,615)**	(2,251)
Decrease in inventories		**–**	1,766
Decrease in loan and interest receivables		**5,299**	76,050
Increase in financial assets at fair value through profit or loss		**(24,015)**	(66,072)
Increase in trade, bills and other receivables		**(21,206)**	(6,475)
Decrease in contract assets		**30**	1,603
Increase in trade payables, accruals and other payables		**7,711**	17,742
Decrease in contract liabilities		**(3,794)**	(2,726)
Cash (used in)/generated from operations		**(41,590)**	19,637
Income tax refunded		**22**	–
Net cash (used in)/generated from operating activities		**(41,568)**	19,637

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 HKD'000	2022 HKD'000
Cash flows from investing activities			
Interest received		**83**	34
Dividend received from financial asset at fair value through other comprehensive income		**–**	590
Purchase of property, plant and equipment	16	**(853)**	(777)
Purchase of financial assets at fair value through other comprehensive income	20	**–**	(1,167)
Subscription of investment in corporate bond	21	**–**	(20,000)
Proceed from disposal of financial assets at fair value through other comprehensive income	20	**–**	28,150
Proceed from disposal of property plant and equipment		**1,319**	–
Net cash inflow/(outflow) arising on disposal of subsidiaries	37	**1,228**	(99)
Net cash generated from investing activities		**1,777**	6,731
Cash flows from financing activities			
Interest paid on bank and other borrowings		**(13,906)**	(13,793)
Proceeds from bank borrowings		**80,000**	80,000
Repayments of bank borrowings		**(89,131)**	(93,017)
Proceeds from other borrowings		**712**	6,017
Repayments of other borrowings		**(803)**	(28,318)
Proceeds from issuance of shares upon rights issue and placing, net of transaction costs		**65,966**	52,431
Proceeds from issuance of bond		**42,200**	–
Repayment of lease liabilities – principal		**(2,709)**	(2,327)
Repayment of lease liabilities – interest		**(197)**	(141)
Net cash generated from financing activities		**82,132**	852
Net increase in cash and cash equivalents		**42,341**	27,220
Cash and cash equivalents at the beginning of the year		**38,983**	12,077
Effect of foreign exchange rates changes, net		**397**	(314)
Cash and cash equivalents at the end of the year			
– Cash and bank balances	27	**81,721**	38,983

1. GENERAL

Future World Holdings Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business was changed from Room 2601–2604 and 2637–2640, 26/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong to Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong with effect from 1 December 2023. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; (vi) securities brokerage business.

The consolidated financial statements are presented in Hong Kong dollars ("**HKD**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated. Certain comparative figures have been reclassified to confirm with current year's presentation.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance (the "**CO**"). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss ("**FVTPL**") and financial assets at fair value through other comprehensive income ("**FVTOCI**"), which are measured at fair value.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

(a) New and amended HKFRSs

In the current year, the Group has applied a number of amendments to HKFRSs issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2023. These amendments have been applied by the Group for the first time in the current year unless otherwise specified.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts and related amendments

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out to the consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs *(Continued)*

(b) Amendments to HKFRSs not yet adopted

The Group has not applied the following amendments to HKFRSs, which have been issued but are not yet effective, in these consolidated financial statements:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

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 2024
3 Effective for annual periods beginning on or after 1 January 2025

The directors of the Company are in the progress of assessing the impact to the Group's financial performance and position by adopting the new and amendments to HKFRSs.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to owners of the Company and to non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to non-controlling interests even if this results in non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investments in subsidiaries

In the Company's statement of financial position in Note 48, the interests in subsidiaries are stated at cost less accumulated impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Revenue recognition

Revenue from contracts with customers

Under HKFRS 15 *Revenue* from Contracts with Customers ("**HKFRS 15**"), the Group recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from high technology business

For the year ended 31 December 2023, the Group's high technology business is mainly contributed by trading of integrated circuit wafers. The Group provides wafers with different specification to customers. Revenue is recognised at a point in time when control of the products has transferred to customers. Where the Group obtains control of the goods for distribution, it is the principal (i.e. recognises sales of goods on a gross basis). Control is primarily evidenced by taking physical possession and inventory risk of the goods.

For the year ended 31 December 2022, the Group's high technology business is mainly contributed by (i) intelligent industrial welding robots and equipment business; and (ii) artificial intelligence products and application solutions business. The Group provides customised designs which are bundled together with the sales of non-standard customised positioner, all kinds of special welding and cutting tooling devices and all kinds of unmanned and intelligent non-standard production lines. The products are delivered to the customers' designated locations as a package to its customers. The Group designs the production line based on the need of customers and outsources the assembling works to independent sub-contractors. For the artificial intelligence products and application solutions business, the main product is intelligent storage equipment with self-development system. The Group purchases relevant hardware according to the customer's requirement and integrates with an intelligent data storage software, which is developed by the Group.

The end products created by the Group are unique, specified to each customer and involved high personal preference. The directors of the Company considered there is single performance obligation under the contracts with customers of high technology business as the products and services provided are not distinct. Beside, before the customer's acceptance of the finished products, the Group has no enforceable right to receive consideration from the customers for performance completed to date. Revenue is recognised at a point in time when control of the products has transferred to customers. Contract assets (due to the retention period) are recognised according to the terms in the contracts.

Revenue from trading business and related services

The Group trades masks and tester. Revenue is recognised at a point in time when control of the products has transferred to customers. Where the Group obtains control of the goods for distribution, it is the principal (i.e. recognises sales of goods on a gross basis). Control is primarily evidenced by taking physical possession and inventory risk of the goods.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers (Continued)

Revenue from securities brokerage business

Service fee income is entitled and recognised at point in time when the agreed services are completed. The amount of revenue recognised is the amount allocated to the satisfied performance obligations. The Group considers the terms in the contract and it has as enforceable right to payment for the introductory services upon satisfaction of the performance obligations.

Revenue from other sources

Interest income from a financial asset is accrued on a time basis on the principal outstanding or amortised cost in the case of credit-impaired financial assets at the applicable effective interest rate.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Leasing

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The existing leases of the Group are all classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue recognition *(Continued)*

Leasing (Continued)

The Group as lessee

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Assets leased to the Group and the corresponding liabilities are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of respective entities. Right-of-use assets are measured at cost comprising the following:

– the amount of the initial measurement of lease liabilities;

– any lease payments made at or before the commencement date, less any lease incentive received.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss and other comprehensive income in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss and other comprehensive income in the period of the retirement or disposal.

Borrowing costs

Other borrowing costs are expensed in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets

Financial assets are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15.

(a) Classification and subsequent measurement

Investments in debt securities that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

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

Investments in debt securities that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 (Revised) *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Financial assets at amortised cost

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings/(accumulated losses).

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets *(Continued)*

(a) Classification and subsequent measurement (Continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

(b) Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("**ECL**") on financial assets which are subject to impairment under HKFRS 9 (including loan and interest receivables, trade, bills and other receivables, contract assets and cash and bank balances), and on loan commitments issued which are not measured at FVTPL. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, and contract assets, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has applied loss rates which are reference to the default rates from international credit rating agencies, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets *(Continued)*

(b) Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

Loan and interest receivables are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets *(Continued)*

(b) Impairment of financial assets (Continued)

General approach (Continued)

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant deterioration in the operating results of the debtor; an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers the cash and bank balances to have a low credit risk because the majority of the counterparties are banks with external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets *(Continued)*

(b) Impairment of financial assets (Continued)

General approach (Continued)

(ii) Definition of default

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

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

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

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

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loan and interest receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial assets *(Continued)*

(b) Impairment of financial assets (Continued)

General approach (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Interest income 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 amortised cost of the financial asset.

(c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected, on initial recognition of the investment or as at the date of initial application of HKFRS 9, to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment losses on assets (other than financial assets and inventories)

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets and interest in an associate to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRSs, in which case the impairment loss is treated as a revaluation decrease under that HKFRSs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRSs, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRSs.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, accruals and other payables, lease liabilities, bank borrowings, other borrowings and bond payable.

(b) Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

(c) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and have a short maturity of generally within three months when acquired.

Taxation

Income tax (credit)/expense represents the sum of current tax and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from "profit before income tax" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or construction) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Retirement benefits costs

Payments to central pension scheme operated by the local municipal government of the People's Republic of China (the "**PRC**") and the Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Scheme Ordinance are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the People's Republic of China (the "**PRC**") are required to participate in various defined contribution plans operated by the relevant authorities. These subsidiaries are required to contribute specified percentage of its payroll costs in accordance with the local practice and regulations.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

There were no forfeited contributions utilised by the Group to reduce existing level of contributions for each of the years.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. 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 option reserve will be transferred to retained earnings/(accumulated losses).

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model in HKAS 40 *Investment Property*, the directors of the Company have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption contained in HKAS 12 that the carrying amounts of investment properties measured using the fair value model is recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties in Hong Kong as the Group is not subject to any income taxes on the fair value changes of the investment properties located in Hong Kong on disposal. For the investment properties located in the PRC, the Group is subject to land appreciation tax on the gain on disposal of properties and therefore deferred tax liabilities would be recognised for the fair value gain of investment properties located in the PRC. However, the Group entitles no tax benefit if there is a loss on disposal of property. No deferred tax assets would be considered if there is fair value loss of investment properties located in the PRC.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Provision of ECL for trade receivables, other receivables, loan and interest receivables and investment in corporate bond

The Group had measured credit loss allowances for trade receivables at lifetime ECLs based on the default rates from international credit rating agencies for various industries of debtors, debtor's creditworthiness and ageing of trade receivables, and are adjusted with forward-looking information that is available without undue cost or effort. The Group had measured credit loss allowances for other receivables, loan and interest receivables and investment in corporate bond based on credit spread at 12-month ECL.

The directors of the Company classified the other receivables, loan and interest receivables and investment in corporate bond to different stages by considering whether there is significant increase in credit risk since initial recognition. The Group estimated the amount of ECL based on the loss rates which are reference to the default rates from international credit rating agencies, with adjustment to reflect the current conditions and forecasts of future economic conditions.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables, other receivables, loan and interest receivables and investment in corporate bond are disclosed in Note 44(b).

(ii) Impairment on property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

For the year ended 31 December 2023, the impairment of property, plant and equipment is approximately HKD1,455,000 (2022: Nil) (Note 16).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(iii) Fair value of investment properties

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by a firm of independent qualified professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in change in the fair value of the Group's investment properties being recognised in the profit or loss. The carrying amount of investment properties measured at fair value at 31 December 2023 was approximately HKD770,723,000 (2022: HKD840,454,000) (Note 18).

(iv) Estimate of current tax and deferred tax

Significant judgement and estimates is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provisions and deferred tax provisions in the periods in which such determination are made.

6. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) high technology business; (ii) property investment; (iii) provision of financing services; (iv) securities trading and investment; (v) trading business and related services; and (vi) securities brokerage business during the year. An analysis of the Group's revenue for the year is as follows:

	2023 **HKD'000**	2022 HKD'000
Revenue		
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Income from high technology business	**17,134**	16,071
Income from trading business and related services	**–**	1,879
Service fee income from securities brokerage business	**1,050**	–
Revenue from other sources:		
Rental income from property investment	**6,679**	7,108
Interest income from provision of financing services	**12,891**	21,063
Dividend income from securities trading and investment	**981**	590
Interest income from debt instrument	**213**	426
	38,948	47,137
Net realised (loss)/gain from securities trading and investment	**(4,524)**	33

7. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group's major operations.

The measurement policies the Group uses for reporting segment results under HKFRS 8 *Operating Segments* are the same as those used in its consolidated financial statements prepared under HKFRSs.

No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

– High technology business

– Property investment

– Provision of financing services

– Securities trading and investment

– Trading business and related services

– Securities brokerage business

7. SEGMENT INFORMATION *(Continued)*

Segment revenue and financial performance

The following is an analysis of the Group's revenue and financial performance from operations by reportable and operating segments:

	High technology business		Property investment		Provision of financing services		Securities trading and investment		Trading business and related services		Securities brokerage business		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HKD'000	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000
Revenue														
– External sales	**17,134**	16,071	**6,679**	7,108	**12,891**	21,063	**1,194**	1,016	**-**	1,879	**1,050**	–	**38,948**	47,137
Segment financial performance	**(302)**	(18,917)	**(70,778)**	(13,319)	**20,034**	(5,527)	**(61,800)**	38,430	**(705)**	(739)	**(142)**	(1,050)	**(113,693)**	(1,122)
Unallocated corporate income													**582**	485
Unallocated corporate expenses													**(33,991)**	(18,596)
Share of loss of an associate													**-**	(45)
Share-based payment expenses													**-**	(848)
Unallocated finance costs													**(3,858)**	(59)
Loss before income tax													**(150,960)**	(20,185)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the (loss incurred)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, other income, share of loss of an associate, share-based payment expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

	2023 **HKD'000**	2022 HKD'000
Segment assets		
High technology business	**2,262**	36,591
Property investment	**776,548**	844,532
Provision of financing services	**229,204**	242,863
Securities trading and investment	**74,158**	186,894
Trading business and related services	**1,145**	2,070
Securities brokerage business	**3,666**	36,037
Total segment assets	**1,086,983**	1,348,987
Unallocated corporate assets	**138,938**	23,524
Consolidated assets	**1,225,921**	1,372,511
Segment liabilities		
High technology business	**189**	47,321
Property investment	**200,503**	209,432
Provision of financing services	**52**	6,532
Securities trading and investment	**168,269**	166,768
Trading business and related services	**1,893**	2,075
Total segment liabilities	**370,906**	432,128
Unallocated corporate liabilities	**53,950**	4,922
Consolidated liabilities	**424,856**	437,050

7. SEGMENT INFORMATION *(Continued)*

Other segment information

	High technology business		Property investment		Provision of financing services		Securities trading and investment		Trading business and related services		Securities brokerage service		Unallocated		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	HKD'000	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000	**HKD'000**	HKD'000
Amounts included in the measure of segment profit or loss or segment assets:																
Addition to property, plant and equipment	**-**	64	**-**	–	**24**	32	**795**	–	**-**	–	**-**	–	**34**	681	**853**	777
Addition to right-of-use assets	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**662**	4,190	**662**	4,190
Depreciation of property, plant and equipment	**106**	139	**-**	–	**18**	23	**80**	33	**26**	84	**-**	–	**144**	70	**374**	349
Depreciation of right-of-use assets	**-**	–	**-**	–	**118**	–	**-**	–	**-**	–	**-**	–	**2,454**	907	**2,572**	907
(Reversal of)/provision for credit loss allowances on loan and interest receivables, net	**-**	–	**-**	–	**(3,115)**	9,987	**-**	–	**-**	–	**-**	–	**-**	–	**(3,115)**	9,987
Provision for/(reversal of) credit loss allowances recognised on trade receivables, net	**324**	6,208	**158**	(8)	**-**	–	**-**	–	**507**	(3)	**-**	–	**-**	–	**989**	6,197
Provision for/(reversal of) credit loss allowances recognised on other receivables	**-**	–	**374**	(27)	**4,897**	11,913	**-**	–	**-**	–	**-**	–	**6,924**	–	**12,195**	11,886
Impairment loss on property, plant and equipment	**1,450**	–	**-**	–	**-**	–	**5**	–	**-**	–	**-**	–	**-**	–	**1,455**	–
(Reversal of)/provision for of ECL on loan commitment	**-**	–	**-**	–	**(6,512)**	3,763	**-**	–	**-**	–	**-**	–	**-**	–	**(6,512)**	3,763
Provision for ECL on investment in corporate bond	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**2,746**	4,990	**2,746**	4,990
Change in fair value of financial assets at FVTPL	**-**	–	**-**	–	**-**	–	**50,691**	(47,130)	**-**	–	**-**	–	**-**	–	**50,691**	(47,130)
Change in fair value of investment properties	**-**	–	**67,069**	12,860	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**67,069**	12,860
Finance costs	**12**	588	**7,074**	5,632	**1**	14	**8,373**	8,022	**-**	–	**-**	–	**3,858**	45	**19,318**	14,301
Income tax expense/(credit)	**-**	(563)	**179**	218	**1,392**	(4,235)	**-**	–	**-**	–	**-**	–	**-**	–	**1,571**	(4,580)
Written-off of property, plant and equipment	**-**	–	**-**	–	**69**	–	**-**	–	**-**	–	**-**	–	**-**	–	**69**	–
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:																
Interest income on bank deposits	**(7)**	(3)	**(1)**	–	**(1)**	(2)	**(4)**	(1)	**-**	–	**(64)**	(27)	**(6)**	(1)	**(83)**	(34)
Share of loss of an associate	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	45	**-**	45
Share based payment expenses	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	848	**-**	848
Gain on disposal of subsidiaries	**(4,838)**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	(137)	**(4,838)**	(137)

7. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "**PRC**").

The Group's revenue from external customers classified in accordance with geographical location of customers during the reporting period and information about the non-current assets, except rental deposit, deferred tax assets, financial assets at FVTOCI, loan receivables and interest in an associate classified in accordance with geographical location of the assets at the end of the reporting period are detailed below.

		2023			2022	
	Hong Kong HKD'000	**The PRC HKD'000**	**Total HKD'000**	Hong Kong HKD'000	The PRC HKD'000	Total HKD'000
Revenue	**21,814**	**17,134**	**38,948**	28,888	18,249	47,137
Non-current assets:						
Property, plant and equipment	**570**	**–**	**570**	744	1,609	2,353
Right-of-use assets	**1,845**	**–**	**1,845**	3,755	–	3,755
Investment properties	**643,700**	**127,023**	**770,723**	699,700	140,754	840,454

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2023 HKD'000	2022 HKD'000
Customer A[2]	**6,232**	14,383
Customer B[1]	**5,929**	–
Customer C[1]	**5,336**	–
Customer D[1]	**–**	13,287

1 Income from high technology business
2 Interest income from provision of financing services

8. OTHER INCOME AND GAINS

	2023 **HKD'000**	2022 HKD'000
Government subsidies *(Note)*	**28**	569
Gain on disposal of property, plant and equipment, net	**609**	–
Interest income on bank deposits	**83**	34
Interest income from unlisted corporate bond	**1,500**	275
Sundry income	**180**	213
	2,400	1,091

Note: During the year ended the 31 December 2023, the government subsidies recognised were the approved subsidies in the Employment Support Scheme under the Anti-epidemic Fund as promulgated by the Government of the Hong Kong Special Administrative Region of the PRC (2022: to encourage high-technology business development, the PRC government provide government subsidies to the Group). No unfulfilled conditions or contingencies were attached to these subsidies.

9. FINANCE COSTS

	2023 **HKD'000**	2022 HKD'000
Interest expenses on bank borrowings	**12,301**	8,533
Interest expenses on other borrowings	**3,146**	5,260
Interest expenses on lease liabilities	**197**	141
Interest expenses on government loans	**–**	367
Interest expenses on other payables	**122**	–
Interest expenses on bonds	**3,552**	–
	19,318	14,301

10. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging/(crediting):

	2023 **HKD'000**	2022 HKD'000
Directors' and chief executive's emoluments, including share-based payment expenses of Nil (2022: approximately HKD97,000)	**2,411**	3,445
Other staff costs, including share-based payment expenses of Nil (2022: approximately HKD751,000)	**7,377**	10,839
Contributions to retirement benefits scheme *(Note)*	**266**	334
Total staff costs	**10,054**	14,618
Auditor's remuneration:		
– Audit services	**1,280**	1,280
– Non-audit services	**460**	496
Cost of inventories recognised as expenses	**17,105**	18,423
Depreciation of property, plant and equipment	**374**	349
Depreciation of right-of-use assets	**2,572**	907
Impairment loss on property, plant and equipment	**1,455**	–
Direct operating expenses arising from investment properties that generated rental income during the year	**608**	543
Direct operating expenses arising from investment properties that did not generated rental income during the year	**175**	169
Expenses relating to short-term leases	**27**	25
(Reversal of)/provision for credit loss allowances on loan and interest receivables, net	**(3,115)**	9,987
Provision for credit loss allowances on trade receivables, net	**989**	6,197
Provision for credit loss allowances on other receivables, net	**12,195**	11,886
(Reversal of)/provision for expected credit loss on loan commitment, net	**(6,512)**	3,763
Provision for expected credit loss on investment in corporate bond	**2,746**	4,990
Written-off of property, plant and equipment	**69**	–
Gain on disposal of property, plant and equipment	**(609)**	–

Note: As at December 2023, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2022: Nil).

11. INCOME TAX EXPENSES/(CREDIT)

	2023 **HKD'000**	2022 HKD'000
The PRC Enterprise Income Tax ("**EIT**")		
– Current tax	**–**	–
– Under/(over) provision in prior years	**32**	(1,311)
Withholding tax	**179**	218
	211	(1,093)
Deferred tax charged/(credited) to profit or loss *(Note 25)*	**1,360**	(3,487)
Income tax expense/(credit)	**1,571**	(4,580)

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax under these jurisdictions during the year (2022: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% for the years ended 31 December 2023 and 2022.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2023 and 2022, as the Group did not have assessable profits subject to Hong Kong Profits Tax during both years.

The PRC EIT has been provided at the rate of 25% (2022: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the year ended 31 December 2023. Certain subsidiaries of the Group, which are qualified small and micro-sized enterprises under Caishui [2019] No.13, are eligible for certain tax reduction.

The withholding tax is calculated at the rate of 10% on total rental income derived prevailing in the PRC jurisdiction for both years.

11. INCOME TAX EXPENSES/(CREDIT) *(Continued)*

The income tax expenses/(credit) for the year can be reconciled to the loss before income tax as follows:

	2023 HKD'000	2022 HKD'000
Loss before income tax	**(150,960)**	(20,185)
Tax at domestic income tax rate	**(24,979)**	(4,741)
Tax effect of expenses not deductible for tax purpose	**18,537**	4,169
Tax effect of income not taxable for tax purpose	**(6,777)**	(608)
Tax effect of tax losses not recognised	**4,342**	7,232
Utilisation of tax losses previously not recognised	**(557)**	(1,650)
Tax effect of temporary differences not recognised	**10,794**	(7,889)
Under/(over) provision in prior years	**32**	(1,311)
Withholding tax	**179**	218
Income tax expenses/(credit)	**1,571**	(4,580)

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments for the years, disclosed pursuant to the applicable Listing Rules and CO, is as follow:

For the year ended 31 December 2023

	Fees HKD'000	Salaries, bonuses and other benefits in kind HKD'000	Contributions to retirement benefits scheme HKD'000	Share-based payment expenses HKD'000	Total HKD'000
Executive directors					
Mr. Liang Jian *(Chairman and Chief Executive Officer)*	–	–	–	–	–
Mr. Yu Qingrui	–	332	16	–	348
Mr. Yu Zhenzhong	–	–	–	–	–
Ms. Wang Qian *(Note (i))*	–	300	15	–	315
Mr. Su Wei *(Note (ii))*	–	300	15	–	315
Mr. Lai Long Wai *(Note (iii))*	–	17	1	–	18
Mr. Yuan Yifeng *(Note (iv))*	–	600	8	–	608
Mr. Li Rui *(Note (v))*	–	–	–	–	–
Mr. Cheung Kit Shing *(Note (vi))*	–	340	9	–	349
Sub-total	–	1,889	64	–	1,953
Independent non-executive directors					
Mr. He Yi *(Note (vii))*	240	–	–	–	240
Mr. Guo Yaoli *(Note (viii))*	120	–	–	–	120
Ms. Xia Liping *(Note (ix))*	103	–	–	–	103
Mr. Bong Chin Chung *(Note (x))*	59	–	–	–	59
Mr. Chen Pei *(Note (xi))*	–	–	–	–	–
Sub-total	522	–	–	–	522
Total	522	1,889	64	–	2,475

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

For the year ended 31 December 2022

	Fees HKD'000	Salaries, bonuses and other benefits in kind HKD'000	Contributions to retirement benefits scheme HKD'000	Share-based payment expenses HKD'000	Total HKD'000
Executive directors					
Mr. Liang Jian *(Chairman and Chief Executive Officer)*	–	77	2	–	79
Mr. Yu Qingrui	–	332	16	4	352
Mr. Yu Zhenzhong	–	–	–	–	–
Ms. Wang Qian *(Note (i))*	–	176	9	–	185
Mr. Su Wei *(Note (ii))*	–	150	8	–	158
Mr. Yuan Yifeng *(Note (iv))*	–	530	8	–	538
Mr. Li Rui *(Note (v))*	–	133	7	–	140
Mr. Cheung Kit Shing *(Note (vi))*	–	265	7	–	272
Mr. Lau Fai Lawrence *(Note (xii))*	–	522	11	89	622
Mr. Cai Linzhan *(Note (xiii))*	–	157	8	4	169
Ms. Liao Jianrong *(Note (xiv))*	–	–	–	–	–
Sub-total	–	2,342	76	97	2,515
Independent non-executive directors					
Mr. He Yi *(Note (vii))*	120	–	–	–	120
Mr. Guo Yaoli *(Note (viii))*	31	–	–	–	31
Ms. Xia Liping *(Note (ix))*	7	–	–	–	7
Mr. Chen Pei *(Note (xi))*	–	–	–	–	–
Mr. Siu Siu Ling, Robert *(Note (xv))*	135	–	–	–	135
Mr. Tam Tak Wah *(Note (xvi))*	673	–	–	–	673
Mr. Zheng Zongjia *(Note (xvii))*	40	–	–	–	40
Sub-total	1,006	–	–	–	1,006
Total	1,006	2,342	76	97	3,521

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Notes:

(i) Ms. Wang Qian was appointed as an executive director of the Company on 31 May 2022.

(ii) Mr. Su Wei was appointed as an executive director of the Company on 1 July 2022.

(iii) Mr. Lai Long Wai was appointed as an executive director of the Company on 10 November 2023.

(iv) Mr. Yuan Yifeng was appointed as an executive director of the Company on 19 August 2022 and resigned on 31 May 2023.

(v) Mr. Li Rui was appointed as an executive director of the Company on 19 August 2022 and resigned on 20 June 2023.

(vi) Mr. Cheung Kit Shing was appointed as an executive director of the Company on 19 August 2022 and resigned on 20 June 2023.

(vii) Mr. He Yi was appointed as an independent non-executive director of the Company on 1 July 2022.

(viii) Mr. Guo Yaoli was appointed as an independent non-executive director of the Company on 29 September 2022.

(ix) Ms. Xia Liping was appointed as an independent non-executive director of the Company on 9 December 2022 and resigned on 10 November 2023.

(x) Mr. Bong Chin Chung was appointed as an independent non-executive director of the Company on 3 July 2023.

(xi) Mr. Chen Pei resigned as an independent non-executive director of the Company on 21 March 2023.

(xii) Mr. Lau Fai Lawrence resigned as an executive director of the Company on 1 July 2022.

(xiii) Mr. Cai Linzhan resigned as an executive director of the Company on 10 October 2022.

(xiv) Ms. Liao Jianrong was appointed as an executive director of the Company on 1 February 2022 and resigned on 22 April 2022.

(xv) Mr. Siu Siu Ling, Robert resigned as an independent non-executive director of the Company on 1 July 2022.

(xvi) Mr. Tam Tak Wah resigned as an independent non-executive director of the Company on 29 June 2022.

(xvii) Mr. Zheng Zongjia resigned as an independent non-executive director of the Company on 10 October 2022.

(xviii) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

(xix) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

During the years ended 31 December 2023 and 2022, no directors of the Company were granted share options, in respect of their services to the Group under the share option scheme of the Company. During the year ended 31 December 2022, the value of those share options grated in 2021 is measured according to the Group's accounting policies for share-based payment transactions. Details of the share option scheme are set out in Note 36(a). The amount of the benefits in relation to the share options has been determined in the sole discretion of the board of directors.

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the directors or chief executive of the Company as an inducement to join, or upon joining the Group, or as compensation for loss of office.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one director (2022: one director), details of whose remuneration are set out in Note 12 above. Details of the remuneration of the remaining four (2022: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023	2022
	HKD'000	HKD'000
Salaries, bonuses and other benefits in kind	**3,054**	3,114
Contributions to retirement benefits scheme	**71**	72
Share-based payment expenses	**–**	93
	3,125	3,279

The number of the highest paid employee(s) who is/are not the directors whose remuneration fell within the following bands is as follows:

	Number of employee(s)	
	2023	2022
Under HKD1,000,000	**3**	3
HKD1,000,001 to HKD1,500,000	**1**	1

14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

15. LOSS PER SHARE

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

	2023 HKD'000	2022 HKD'000
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	**(151,730)**	(7,021)

Number of shares

	2023 '000	2022 '000 (Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**149,782**	97,123

The weighted average number of ordinary shares used to calculate the basic loss per share for both years have been adjusted to reflect the rights issue (Note 34(iv)) during the year ended 31 December 2023. Accordingly, the basic loss per share for the year ended 31 December 2022 is restated.

The computation of diluted loss per share for both years did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Furniture, fixtures and office equipment HKD'000	Total HKD'000
Cost					
At 1 January 2022	649	192	2,948	2,614	6,403
Addition	–	675	–	102	777
Written off	–	–	–	(64)	(64)
Exchange realignment	(52)	–	(32)	(249)	(333)
At 31 December 2022 and 1 January 2023	**597**	**867**	**2,916**	**2,403**	**6,783**
Addition	**–**	**–**	**790**	**63**	**853**
Written off	**–**	**(108)**	**–**	**(20)**	**(128)**
Disposal	**–**	**–**	**(1,561)**	**–**	**(1,561)**
Disposal of subsidiary	**(597)**	**–**	**(372)**	**(98)**	**(1,067)**
Exchange realignment	**–**	**–**	**–**	**(38)**	**(38)**
At 31 December 2023	**–**	**759**	**1,773**	**2,310**	**4,842**
Accumulated depreciation and impairments					
At 1 January 2022	649	100	2,917	607	4,273
Charged for the year	–	67	31	251	349
Written off	–	–	–	(64)	(64)
Exchange realignment	(52)	–	(32)	(44)	(128)
At 31 December 2022 and 1 January 2023	**597**	**167**	**2,916**	**750**	**4,430**
Charged for the year	**–**	**142**	**80**	**152**	**374**
Written off	**–**	**(45)**	**–**	**(14)**	**(59)**
Disposal	**–**	**–**	**(851)**	**–**	**(851)**
Disposal of subsidiary	**(597)**	**–**	**(372)**	**(98)**	**(1,067)**
Impairment *(Note)*	**–**	**–**	**–**	**1,455**	**1,455**
Exchange realignment	**–**	**–**	**–**	**(10)**	**(10)**
At 31 December 2023	**–**	**264**	**1,773**	**2,235**	**4,272**
Net carrying amount					
At 31 December 2023	**–**	**495**	**–**	**75**	**570**
At 31 December 2022	–	700	–	1,653	2,353

16. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Plant and machinery	10% to 30%
Leasehold improvements	Over the shorter of the lease terms or 20%
Motor vehicles	20% to 25%
Furniture, fixtures and office equipment	20% to 30%

Note: During the course of preparing of the Group's consolidated financial statements for the year ended 31 December 2023, the directors of the Company identified that there were downsize of sale scale and gross profit margin in high technology businesses cash generating unit ("**CGU**"). Therefore, the directors of the Company performed impairment testing on that CGU that non-financial assets (including of property, plant and equipment and right-of-use assets), belonged.

Impairment loss on property, plant and equipment amounting to approximately HKD1,455,000 (2022: Nil) were recognised in the profit or loss during the year ended 31 December 2023.

The value-in-use calculation used cash flow forecast derived from the most recent budget of this CGU and was approved by the management based on their best estimated. The projected period was 5 years (2022: 5 years) and the average inflation rate and pre-tax discount rate used in the forecast was 2.00% (2022: 2.42%) and 13% (2022: 16.3%).

17. RIGHT-OF-USE ASSETS

	Office premises HKD'000	Production plant HKD'000	Total HKD'000
Cost			
At 1 January 2022	729	7,423	8,152
Additions	4,190	–	4,190
Exchange realignment	–	(597)	(597)
At 31 December 2022 and 1 January 2023	**4,919**	**6,826**	**11,745**
Additions	**662**	**–**	**662**
Termination of a lease agreement	**(729)**	**–**	**(729)**
Disposal of subsidiary	**–**	**(6,826)**	**(6,826)**
At 31 December 2023	**4,852**	**–**	**4,852**
Accumulated depreciation and impairment			
At 1 January 2022	257	7,423	7,680
Charged for the year	907	–	907
Exchange realignment	–	(597)	(597)
At 31 December 2022 and 1 January 2023	**1,164**	**6,826**	**7,990**
Charged for the year	**2,572**	**–**	**2,572**
Termination of a lease agreement	**(729)**	**–**	**(729)**
Disposal of subsidiary	**–**	**(6,826)**	**(6,826)**
At 31 December 2023	**3,007**	**–**	**3,007**
Net carrying amount			
At 31 December 2023	**1,845**	**–**	**1,845**
At 31 December 2022	3,755	–	3,755

	2023 HKD'000	2022 HKD'000
Within financing cash flows – fixed payments	**2,906**	2,468
Within operating cash flows – expenses relating to short-term leases	**27**	25
Total cash outflow for leases	**2,933**	2,493

During the years ended 31 December 2023, the Group leased office premises for its daily operations. Lease contracts were entered into for fixed terms from 1 to 2 years (2022: the Group leased office premises and production plant for its daily operations. Lease contracts were entered into for fixed terms from 1 to 3 years).

18. INVESTMENT PROPERTIES

	2023 HKD'000	2022 HKD'000
Fair value		
At 1 January	**840,454**	865,687
Changes in fair value recognised in profit or loss	**(67,069)**	(12,860)
Exchange realignment	**(2,662)**	(12,373)
At 31 December	**770,723**	840,454

	2023 HKD'000	2022 HKD'000
Hong Kong	**643,700**	699,700
The PRC	**127,023**	140,754
	770,723	840,454

The Group's properties interests held under operating lease to earn rentals or for capital appreciation purposes is measured using the fair value model and is classified and accounted for as investment properties.

At 31 December 2023, one of the Group's investment properties located in Hong Kong, with carrying amount amounting to approximately HKD270,000,000 (2022: HKD283,000,000), has been pledged to secure the bank borrowings and other borrowings granted to the Group (Notes 31 and 32). Another investment property located in Hong Kong, with carrying amount amounting to approximately HKD334,000,000 (2022: HKD377,000,000) has been pledged to secure the bank borrowings granted to the Group (Note 31) at 31 December 2023.

Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties at 31 December 2023 and 2022 have been arrived at on the basis of a valuation carried out by CBRE Hong Kong Limited ("**CBRE**"), a firm of independent qualified professional valuers, which is not connected to the Group. CBRE has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

18. INVESTMENT PROPERTIES *(Continued)*

Fair value measurement of the Group's investment properties *(Continued)*

The fair value of investment properties is a level 3 fair value measurement. The reconciliation of the opening and closing fair value balance is shown as the above table.

The fair value of investment properties was estimated using market comparison approach. Fair values are based on prices for recent market transaction in similar properties with significant adjustments for differences in the location or condition of the Group's investment properties. These adjustments are based on unobservable inputs.

	Range of unobservable inputs		Relationship of unobservable
Significant unobservable inputs	**Hong Kong**	**The PRC**	**inputs to fair value**
(Discount)/premium on quality of properties (e.g. location, size and condition of the properties)	(13.5)% to 26.3% (2022: (35.7)% to 60.2%)	(13.05)% to 10.95% (2022: (39.47)% to 20.59%)	The higher/lower premium or lower/higher discount for the quality of the Group's properties, the higher/lower the fair value
Selling price per unit of market comparables, taking into account difference such as age and location	HKD36,487 to HKD63,752 (2022: HKD37,626 to HKD57,495) per square feet	Renminbi ("**RMB**") 44,379 (equivalent to approximately HKD49,016) to RMB50,913 (equivalent to approximately HKD55,438) (2022: RMB49,557 (equivalent to approximately HKD55,803) to RMB54,740 (equivalent to approximately HKD61,639)) per square meter	The higher/lower the selling price per unit of market comparables, the higher/lower the fair value

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the investment properties' highest and best use, which does not differ from their actual use.

During the years, there were no transfers into or out of Level 3 or any other Level.

19. INTEREST IN AN ASSOCIATE

	2023 HKD'000	2022 HKD'000
Cost of investment in an associate, unlisted	**559**	559
Share of accumulated losses of an associate	**(559)**	(559)
	–	–

On 8 October 2019, Smart Prosper Enterprises (International) Limited, a wholly-owned subsidiary of the Company, entered into an incorporation agreement with the independent third parties for the formation of 揚州越界未來健康科技有限公司 ("**揚州越界**") and the Group subscribed for 30% equity interests of 揚州越界. The subscription consideration was equivalent to RMB1,980,000 (equivalent to approximately HKD2,187,000) (2022: RMB1,980,000 (equivalent to approximately HKD2,230,000)).

揚州越界 is principally engaged in trading and development of beauty and health product in the PRC. The Group explores opportunities in these core businesses to create long-term value for its shareholders. The Group considered it has significant influence over 揚州越界 due to the Group has the right to appoint 2 out of 5 directors of 揚州越界, representing 40% of the board of directors of 揚州越界.

As at 31 December 2023, the Group had paid RMB500,000 (equivalent to approximately HKD559,000) (2022: RMB500,000 (equivalent to approximately HKD559,000)) in aggregate for the registered capital of 揚州越界. As at 31 December 2023, the Group shall pay the remaining registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,635,000) (2022: RMB1,480,000 (equivalent to approximately HKD1,666,000)) within two years after the date of issuance of business license as detailed in Note 39(b).

The particulars of the associate of the Group as at 31 December 2023 and 2022 were as follows:

Name	Particulars of registered capital	Place of establishment	Proportion of ownership interest attributable to the Group 2023	2022	Principal activities and place of operation
揚州越界	RMB6,600,000	The PRC	**30%**	30%	Trading and development of beauty and health product in the PRC

The share of loss of 揚州越界, an immaterial associate of the Group for the years ended 31 December 2023 and 2022, is set out below:

	2023 HKD'000	2022 HKD'000
Share of loss of an associate recognised in profit or loss	**–**	45
Unrecognised accumulated share of loss of an associate	**128**	141

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 **HKD'000**	2022 HKD'000
Listed securities, at fair value:		
Equity securities listed in Hong Kong	**10,154**	66,197

The below table reconciled the equity securities listed in Hong Kong:

	2023 **HKD'000**	2022 HKD'000
At 1 January	**66,197**	97,308
Additions	**–**	1,167
Disposal	**–**	(28,150)
Changes in fair value through other comprehensive income	**(56,043)**	(4,128)
At 31 December	**10,154**	66,197

As at 31 December 2023, the balance represents two (2022: two) listed equity securities which are listed on the Stock Exchange. Details are as follows:

	2023 **HKD'000**	2022 HKD'000
Equity securities listed in Hong Kong		
CMBC Capital Holdings Limited ("**CMBC Capital**") *(Note (i))*	**2,485**	17,200
Central Wealth Group Holdings Limited ("**Central Wealth**") *(Note (ii))*	**7,669**	48,997
CA Cultural Technology Group Limited ("**CA Cultural**") *(Note (iii))*	**–**	–
At 31 December	**10,154**	66,197

These were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature. The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the year ended 31 December 2023, no dividends (2022: HKD590,000) were received from those equity securities.

Notes:

(i) During the year ended 31 December 2023, Nil shares of CMBC Capital was disposed during the year (2022: 11,010,000 shares of CMBC Capital was disposed of at approximately HKD25,739,000 and resulted in a fair value loss of approximately HKD207,672,000 reclassified from fair value reserve to accumulated losses).

(ii) During the year ended 31 December 2023, Nil shares of Central Wealth was disposed during the year (2022: 83,020,000 shares of Central Wealth at approximately HKD1,991,000 to optimise its investment portfolio so as to enhance the financial and cash position of the Group. As a result, a fair value loss of approximately HKD4,479,000 was reclassified from fair value reserve to accumulated losses).

(iii) During the year ended 31 December 2022, the Group disposed of 400,000 shares of CA Cultural at approximately HKD420,000 to optimise its investment portfolio so as to enhance the financial and cash position of the Group. As a result, a fair value loss of approximately HKD10,980,000 was reclassified from fair value reserve to accumulated losses.

At 31 December 2023, the Group's financial assets at FVTOCI, with carrying amount of approximately HKD10,154,000 (2022: HKD66,197,000), have been pledged to secure the other borrowings granted to the Group (Note 32).

21. INVESTMENT IN CORPORATE BOND

	2023	2022
	HKD'000	HKD'000
Unlisted corporate bond issued by a Cayman Islands entity	**14,039**	15,010

The below table reconciled the financial asset at amortised cost:

	2023	2022
	HKD'000	HKD'000
At 1 January	**20,000**	–
Subscription on 26 October 2022	**–**	20,000
Add: accumulated interest incurred	**1,775**	–
	21,775	20,000
Less: Allowance for expected credit losses	**(7,736)**	(4,990)
At 31 December	**14,039**	15,010

On 26 October 2022, the Company entered into the subscription agreement with the independent third party (the "**Issuer**") for the subscription for an unlisted corporate bond issued by a Cayman Islands entity (the "**Corporate Bonds**"), issued at the principal amount of HKD20,000,000, with 7.5% fixed rate per annum payable in semi-annually in arrears and maturity on 25 October 2025 with no redemption option.

The Issuer is an exempted segregated portfolio company incorporated in the Cayman Island and is engaged in investments in Hong Kong including securities and bonds. The Issuer invested in debts by acquiring the debts from an independent third party at a discount to the face value of the debts, and will invest in undervalued securities and bonds targeting for capital gain.

The Group intended to hold and collect the repayments of principal and interest from the investment in corporate bond. As at 31 December 2023, the Group recognised provision for expected credit loss on investment in corporate bond amounted to approximately HKD7,736,000 (2022: HKD4,990,000). Further details on the Group's credit policy are set out in Note 44(b)(i).

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HKD'000	2022 HKD'000
Securities held for trading, at fair value *(Note (i))*:		
Equity securities listed in Hong Kong	**62,542**	114,551
Unlisted securities bonds issued by a PRC entity	**–**	5,482
An unlisted investment fund in Cayman Islands *(Note (ii))*	**26,291**	–
	88,833	120,033

The below table reconciled the movement of financial assets at FVTPL during the year:

	2023 HKD'000	2022 HKD'000
At 1 January	**120,033**	6,798
Additions	**64,744**	67,513
Disposals	**(40,729)**	(1,441)
Changes in fair value and net realised (loss)/gain from disposals	**(55,215)**	47,163
At 31 December	**88,833**	120,033

Notes:

(i) The below table disclose the component of listed equity securities at FVTPL as at year ended 31 December 2023:

Stock code	Name of the investees	Percentage of equity interests	Number of shares held	Total HKD'000
139	Central Wealth Group Holdings Limited	**3.030%**	**507,724,000**	**9,139**
412	Shandong Hi-speed Holdings Group Limited	**0.112%**	**6,715,500**	**40,763**
2276	Shanghai Conant Optical Co. Ltd.	**0.239%**	**1,020,000**	**7,201**
2436	LX Technology Group Limited	**0.153%**	**540,000**	**4,104**
2469	Fenbi Ltd.	**0.011%**	**240,000**	**1,102**
6908	HG Semiconductor Limited	**0.052%**	**390,000**	**233**
				62,542

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes: (Continued)

(i) *(Continued)*

The below table disclose the component of listed equity securities at FVTPL as at year ended 31 December 2022:

Stock code	Name of the investees	Percentage of equity interests	Number of shares held	Total HKD'000
139	Central Wealth Group Holdings Limited	2.798%	455,910,000	52,430
412	Shandong Hi-speed Holdings Group Limited	0.073%	4,396,500	25,148
2187	Zhixin Group Holding Limited	0.842%	6,296,000	16,370
6908	HG Semiconductor Limited	0.067%	390,000	1,154
8017	TradeGo FinTech Limited	3.187%	19,124,000	19,449
				114,551

As at 31 December 2023, the fair values of equity securities listed in Hong Kong (2022: equity securities listed in Hong Kong and unlisted securities bonds issued by a PRC entity) were determined based on the quoted market closing prices on the Stock Exchange for listed equity securities (2022: Stock Exchange for listed equity securities and over-the-counter market for securities bond). During the year ended 31 December 2023, the dividends received from these equity securities and the interest income from debt instrument were approximately HKD981,000 (2022: HKD590,000) and HKD213,000 (2022: HKD426,000) respectively.

(ii) During the year, the Group had invested in a segregated portfolio of an exempted company incorporated with limited liability under the laws of Cayman Islands (the "**Cayman Fund**") by the subscription of redeemable non-voting participating shares of the Cayman Fund at a consideration of HKD32,000,000 with primary objectives for capital appreciation and investment income.

Pursuant to subscription agreement or relevant documents, the beneficial interests held by the Group in the Cayman Fund are in the form of participating shares or interests which primarily provide the Group with the share of returns from the investments but no decision making power nor any voting right to involve in and control the daily operation of the Cayman Fund. The Cayman Fund was set up and managed by an investment manager who is independent third party of the Group, and has the power and authority to manage and make decisions for the investments. In the opinion of the directors of the Company, the Group does not have control on the Cayman Fund. Therefore, the Group does not consolidate the Cayman Fund to its consolidated financial statements and classified such investment as the fund investment at fair value through profit or loss. As at 31 December 2023, the Group held the entire participating shares of the Cayman Fund.

The fair value of the Cayman Fund as at the end of the reporting period was estimated by the management of the Company by reference to the quarterly performance reports of the Cayman Fund issued by the fund administrator. During the year ended 31 December 2023, the fair value loss on the Cayman Fund of approximately HKD5,709,000 was recognised in the consolidated profit or loss.

At 31 December 2023, the Group's financial assets at FVTPL, with carrying amount of approximately HKD15,594,000 (2022: HKD63,995,000), have been pledged to secure the other borrowings granted to the Group (Note 32).

23. INVENTORIES

	2023 HKD'000	2022 HKD'000
Finished goods	**–**	7,566

24. LOAN AND INTEREST RECEIVABLES

	Notes	2023 HKD'000	2022 HKD'000
Current		**187,300**	169,704
Non-current		**10,978**	30,758
		198,278	200,462
Representing:			
From money lending business (including interest receivables of approximately HKD16,978,000 (2022: HKD8,771,000))	(i)	**213,272**	231,953
Less: Allowance for expected credit losses		**(24,865)**	(31,491)
		188,407	200,462
Note receivables (including interest receivables of approximately HKD582,000 (2022: Nil))	(ii)	**13,382**	–
Less: Allowance for expected credit losses		**(3,511)**	–
		9,871	–
		198,278	200,462

Notes:

(i) The loan receivables from 11 (2022: 17) independent borrowers bear fixed interest rates ranging from 5% to 7.7% (2022: 5% to 7.7%) per annum and repayable according to the respective loan agreements. During the year ended 31 December 2023, 2 (2022: 2) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD52,407,000 (2022: HKD56,373,000) in aggregate provided several properties to the Group as collateral with fair value amounting to approximately RMB35,907,000 (equivalent to approximately HKD39,505,000) (2022: RMB38,800,000 (equivalent to approximately HKD43,879,000)) in aggregate. As 31 December 2023, Central Wealth with loan receivables (net of allowance for expected credit loss) amounted to approximately HKD96,289,000 (2022: HKD87,455,000) provided shares of a company listed in Hong Kong to the Group as collateral as further mentioned below. The loan receivables from the remaining 8 (2022: 14) borrowers with loan receivables (net of allowance for credit loss) amounted to approximately HKD39,711,000 (2022: HKD56,634,000) in aggregate are unsecured as at 31 December 2023.

24. LOAN AND INTEREST RECEIVABLES *(Continued)*

Notes: (Continued)

(i) *(Continued)*

Included in the gross amounts of loan and interest receivables of the Group as at 31 December 2023, amounting to approximately HKD77,372,000 due from 6 individual borrowers were matured as at 31 December 2023. Among these balances, amounting to approximately HKD46,259,000 were settled in March 2024, and the remaining balances of approximately HKD31,113,000, which were secured by ten properties in Shenzhen amounting to approximately RMB35,907,000 (equivalent to approximately HKD39,505,000), will be settled by December 2024 according to the repayment schedules agreed with these borrowers.

In 2019, the Group has granted an aggregate irrevocable loan facility of HKD270,000,000 to Central Wealth and the total loans advanced to Central Wealth were amounted to HKD215,000,000 as at 31 December 2019. These loans are unsecured, bearing fixed interest rate at 8% per annum and repayable under the demand of the Group or no later than 31 December 2020. During the year ended 31 December 2020, the Group and Central Wealth entered into a supplemental agreement, pursuant to which the loan facility would bear interest rate at 7% per annum with effect from 1 January 2021 and the maturity date of the loans amounted to HKD236,000,000 as at 31 December 2020 would be extended to 31 December 2023. No further loans were advanced to Central Wealth during the years ended 31 December 2021 and 2022. During the year ended 31 December 2022, Central Wealth had settled part of the loans and interests by cash of approximately HKD122,001,000 and disposed of securities as mentioned below, resulted in the gross loan and interest receivables from Central Wealth amounted to HKD90,057,000 as at 31 December 2022. As at 31 December 2023, the gross loan and interest receivable from Central Wealth amounted to HKD96,289,000.

On 2 February 2024, the Group entered into a conditional supplemental agreement with Central Wealth, pursuant to which the outstanding loan and interest receivables shall be extended from 31 December 2023 to 31 December 2024, loan drawn under the loan facility shall not exceed approximately HKD96,853,000 and the loan principal amount shall be approximately HKD96,853,000 with interest rate at 7% per annum with effect from 3 February 2024, which was approved by the shareholders of the Company at the EGM on 15 March 2024.

On 24 October 2022, Globally Finance Limited, a wholly-owned subsidiary of the Company, as the "Lender" and Central Wealth Infrastructure Investment Limited, a wholly-owned subsidiary of Central Wealth, as the "Chargor", entered into a Share Charge arrangement, pursuant to which Central Wealth agreed to procure the Chargor to charge the 95,061,000 shares of a company listed in Hong Kong owned by the Chargor (the "**Charged Securities**") in favour of the Lender. The fair value of the Charged Securities was approximately HKD308,948,000 on 24 October 2022. In consideration of the Chargor agreeing to enter into the Share Charge, the Lender has agreed to execute the Declaration of Trust at the same time, pursuant to which the Lender shall declare to act as the trustee of the Charged Securities in favour of the Chargor.

On 3 November 2022, the Lender received two letters of instruction from the Chargor which intended the Lender, as the trustee, to enter into share sale and purchase agreements to transfer totaling 29,705,000 shares of the Charged Securities to two independent third parties (the "**Purchasers**") at the considerations of approximately HKD45,746,000 (the "**Considerations**") in total (the "**Transactions**"). The net proceeds from the Transactions shall be in or towards the payment to settle the loan and interest receivable owed by Central Wealth to the Lender (the "**Loans**") until the Loans are discharged. On the same date, Globally Finance Limited entered into the share sale and purchase agreements with the Purchasers in relation to the Transactions and the corresponding amount of the Loans amounted to approximately HKD45,746,000 in total was deemed to be set-off against the Considerations at the date of completion of the Transactions on 3 November 2022. As at 31 December 2022 and 2023, the Considerations were not yet settled by the Purchasers and the amounts were recorded in other receivables as disclosed in note 26(ii).

(ii) During the year, the Group subscribed two short-term notes from two independent issuers at a consideration of HKD7,800,000 and HKD5,000,000, which both carried 5.5% interest rate per annum and due on the maturity date on 2 March 2024 and 8 March 2024, respectively. The note receivables were secured by certain bonds or listed securities with fair values of approximately HKD7,800,000 and HKD5,425,000 respectively at the date of subscription. As at 31 December 2023, the note receivable (net of allowance for credit loss) amounted to approximately HKD9,871,000.

24. LOAN AND INTEREST RECEIVABLES *(Continued)*

The movement of the gross carrying amount of loan and interest receivables from money lending business and note receivables is as follows:

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2022	353,749	–	–	353,749
Additions	48,863	–	–	48,863
Repayments	(170,659)	–	–	(170,659)
Transfer to stage 2	(65,038)	65,038	–	–
Transfer to stage 3	(19,903)	–	19,903	–
At 31 December 2022 and 1 January 2023	**147,012**	**65,038**	**19,903**	**231,953**
Additions	**22,563**	**3,128**	**–**	**25,691**
Repayments	**–**	**(22,475)**	**(8,515)**	**(30,990)**
Transfer to stage 2	**(59,539)**	**59,539**	**–**	**–**
Transfer to stage 3	**–**	**(10,261)**	**10,261**	**–**
At 31 December 2023	**110,036**	**94,969**	**21,649**	**226,654**

The movement of provision for ECL of loan and interest receivables from money lending business and note receivables is as follows:

	Stage 1 HKD'000	**Stage 2 HKD'000**	**Stage 3 HKD'000**	**Total HKD'000**
At 1 January 2023	**3,184**	**16,869**	**11,438**	**31,491**
Additions	**499**	**524**	**–**	**1,023**
Repayments	**–**	**(5,826)**	**(1,516)**	**(7,342)**
Change in risk parameters	**2,380**	**(642)**	**1,466**	**3,204**
Transfer to stage 2	**(3,577)**	**3,577**	**–**	**–**
Transfer to stage 3	**–**	**–**	**–**	**–**
At 31 December 2023	**2,486**	**14,502**	**11,388**	**28,376**
ECL rate	**2.26%**	**15.27%**	**52.60%**	**12.52%**

24. LOAN AND INTEREST RECEIVABLES *(Continued)*

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2022	21,504	–	–	21,504
Additions	9,000	–	–	9,000
Repayments	(5,020)	–	–	(5,020)
Change in risk parameters	6,007	–	–	6,007
Transfer to stage 2	(16,869)	16,869	–	–
Transfer to stage 3	(11,438)	–	11,438	–
At 31 December 2022	3,184	16,869	11,438	31,491
ECL rate	2.17%	25.94%	57.47%	13.58%

The maturity profile of these loan and interest receivables and note receivables, net of credit loss allowances, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	2023 HKD'000	2022 HKD'000
On demand or within one year after the end of reporting period	**187,300**	169,704
More than one year, but not more than two years after the end of reporting period	**10,978**	19,664
More than two years, but not more than five years after the end of reporting period	**–**	11,094
	198,278	200,462

The loan receivables and notes receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, ageing analysis of accounts and on management's judgement, including the current creditworthiness and the past statistics of individually significant accounts or a portfolio of accounts on a collective basis.

Mr. Yu Qingrui is a common director of Central Wealth and the Company. Loan and interest receivables of the Group disclosed pursuant to Section 383 of the CO (Cap. 622) and the Companies (Disclosure of information about Benefits of Directors) Regulation (Cap. 622G) are as follows:

	Maximum amount outstanding during the year HKD'000	**2023 HKD'000**	2022 HKD'000
Gross loans to Central Wealth (including interest receivables of approximately HKD7,257,000 (2022: HKD1,024,000))	96,289	**96,289**	90,057
Credit loss allowances on loans to Central Wealth (including credit loss allowances on interest receivables of Nil (2022: approximately HKD30,000))	2,602	**–**	2,602

25. DEFERRED TAX

Deferred tax assets

The movements in deferred tax assets during the year are as follows:

	Credit loss allowances HKD'000
At 1 January 2022	4,792
Deferred tax credited to the profit or loss *(Note 11)*	3,487
Exchange realignment	(42)
At 31 December 2022 and 1 January 2023	**8,237**
Deferred tax charged to the profit or loss *(Note 11)*	**(1,360)**
At 31 December 2023	**6,877**

At the end of the reporting period, the Group had unused tax losses of approximately HKD173,428,000 (2022: HKD151,982,000) available to offset against future profits sourced in Hong Kong. Such unused tax losses are subject to the approval of the Hong Kong Inland Revenue Department and may be carried forward indefinitely. Also, at the end of the reporting period, the Group had unused tax losses of approximately RMB Nil (equivalent to approximately HKD Nil (2022: RMB39,073,000 (equivalent to approximately HKD43,997,000)) available to offset against future profits sourced in the PRC. Such unused tax losses are subject to the approval of the PRC tax authorities and can be carried forward for five years from the year when the corresponding loss was incurred. No deferred tax asset has been recognised due to unpredictability of future profit streams.

Deferred tax liabilities

Pursuant to the EIT Law, 10% withholding tax is imposed on dividends declared in respect of profits earned from 1 January 2008 onwards to non-PRC tax resident investors for the companies established in the PRC. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applicable.

As at 31 December 2023, the Group has not recognised the provision of the PRC withholding tax of approximately RMB208,000 (equivalent to approximately HKD230,000) (2022: RMB188,000 (equivalent to approximately HKD218,000)) in relation to the undistributed profits of certain PRC subsidiaries totaling approximately RMB2,077,000 (equivalent to approximately HKD2,299,000) (2022: RMB1,877,000 (equivalent to approximately HKD2,177,000)), as the Company is in a position to control the dividend policy of the PRC subsidiaries and it has been determined that it is probable that undistributed profits of the PRC subsidiaries will not be distributed in the foreseeable future.

26. TRADE, BILLS AND OTHER RECEIVABLES

	Notes	2023 HKD'000	2022 HKD'000
Trade receivables, gross		**2,277**	11,999
Less: Allowance for expected credit losses *(Note 44(b)(ii))*		**(665)**	(8,937)
Trade receivables, net	(i)	**1,612**	3,062
Other receivables, gross		**71,983**	52,445
Less: Allowance for expected credit losses *(Note 44(b)(ii)*		**(24,251)**	(12,059)
Other receivables, net	(ii)	**47,732**	40,386
Deposit and prepayment	(iii)	**3,537**	24,196
Bills receivables	(iv)	**–**	1,786
		52,881	69,430
Less: rental deposit classified as non-current asset		**(249)**	(1,485)
		52,632	67,945

Notes:

(i) Trade receivables

As at 31 December 2023 and 2022, trade receivables mainly comprise amounts receivable from high technology business and trading business and related services. No interest was charged on trade receivables.

The following is an ageing analysis of trade receivables presented based on the invoice dates, which approximated the respective revenue recognition dates:

	2023 HKD'000	2022 HKD'000
0–30 days	**290**	643
31–90 days	**580**	290
91–180 days	**300**	653
181–360 days	**600**	473
Over 360 days	**507**	9,940
Less: Allowance for expected credit losses	**(665)**	(8,937)
	1,612	3,062

The following is an ageing analysis of trade receivables, net of credit loss allowances, presented based on the due dates:

	2023 HKD'000	2022 HKD'000
Not yet past due	**290**	643
Less than 30 days past due	**580**	290
31 days to 90 days past due	**300**	647
91 days to 180 days past due	**442**	1,048
181 days to 365 days past due	**–**	431
More than 1 year past due	**–**	3
	1,612	3,062

Further details on the Group's credit policy are set out in Note 44(b)(ii).

26. TRADE, BILLS AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(ii) Other receivables

As at 31 December 2023, included in other receivables were the gross receivables of Considerations in relation to the transfer of Charged Securities as disclosed in Note 24 to the consolidated financial statements amounting to approximately HKD45,746,000 (2022: HKD45,746,000). According to the sale and purchase agreement in relation to the Transactions as mentioned in Note 24(i), the Considerations shall be settled within 4 months from the date of completion of Transactions on 3 November 2022. As at December 2023, the Group recognised a provision for expected credit loss allowance of HKD16,810,000 (2022: HKD11,913,000) in relation to the receivables of Considerations. On 22 March 2024, Globally Finance assigned the Considerations to the Company at a consideration of approximately HKD45,746,000.

During the year, the Company, as the assignee, entered into a deed of assignment with an independent third party, as the assignor, pursuant to which a debt amounted to approximately HKD21,060,000 plus interests of approximately HKD7,389,000 payable by a debtor of the assignor were assigned by the assignor to the Company in a consideration of HKD20,000,000 ("**Debt Assignment**"). The consideration of HKD20,000,000 paid by the Group was recorded under other receivables as at 31 December 2023. As at 31 December 2023, the Group recognised a provision for expected credit loss allowance of approximately HKD6,925,000 in relation to the receivables of Debt Assignment. On 22 March 2024, the Company and the assignor voluntarily terminated, rescinded and cancelled the Debt Assignment, and the consideration of HKD20,000,000 shall be refunded by the assignor to the Company (the "**Refund**").

On 22 March 2024, the Group has conditionally agreed to assign, and Mr. Lai Long Wai ("**Mr. Lai**"), a director and a substantial shareholder of the Company, has conditionally agreed to accept the assignment of the gross receivables of Considerations in relation to the transfer of Charged Securities and the Refund in relation to the Debt Assignment at a consideration of approximately HKD65,746,000. Details are disclosed in Note 46 to the consolidated financial statements.

As at 31 December 2023, the other receivables also included the gross rental income receivables in relation to investment properties in the PRC amounting to approximately HKD4,360,000 (2022: HKD3,390,000). As at that date, the Group recognised a provision for expected credit loss allowance of approximately HKD516,000 (2022: HKD146,000) in relation to the rental income receivables.

(iii) Deposit and prepayment

As at 31 December 2023, the balance mainly comprised prepayments for inventories amounting to approximately HKD Nil (2022: HKD21,934,000), and rental deposits paid amounting to approximately HKD1,722,000 (2022: HKD1,783,000).

As at 31 December 2022, prepayments for inventories included balances with 成都廣泰威達 and 成都焊研威達 (as defined in Note 40(a) amounting to approximately RMB945,000 (equivalent to approximately HKD1,065,000) and RMB16,168,000 (equivalent to approximately HKD18,205,000), respectively.

(iv) Bills receivables

The Group endorsed certain bill receivables (the "**Endorsed Bills**") with a carrying amount of approximately HKD Nil (2022: HKD1,786,000) as at 31 December 2023 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. However, in the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills as current assets and the associated trade payables as current liabilities. The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD Nil (2022: HKD1,786,000) as at 31 December 2023 (Note 28(i)).

In the opinion of the directors of the Company, the fair values of these Endorsed Bills and the associated trade payables are approximately to their carrying amounts. Net position of the Group is Nil (2022: Nil) as at 31 December 2023.

27. CASH AND BANK BALANCES

	2023 **HKD'000**	2022 HKD'000
Cash and bank balances *(Note)*	**81,721**	38,983

Note: Cash and bank balances represent cash at banks and on hand. Bank balances carry interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default.

At 31 December 2023, there was approximately HKD3,000 (2022: HKD1,650,000) denominated in RMB and deposited with banks in the PRC, RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

28. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Notes	**2023** **HKD'000**	2022 HKD'000
Trade payables	(i)	**337**	23,410
Government loans	(ii)	**–**	8,967
Other payables	(iii)	**3,440**	6,512
Accruals	(iv)	**9,657**	11,625
Rental deposits received		**1,204**	1,504
		14,638	52,018

Notes:

(i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 to 120 days (2022: 30 to 120 days) for the year. The ageing analysis of the trade payables based on invoice date is as follows:

	2023 **HKD'000**	2022 HKD'000
0–30 days	**–**	1,786
31–90 days	**–**	–
91–360 days	**–**	12,583
Over 360 days	**337**	9,041
	337	23,410

The aggregate carrying amount of trade payables under the Endorsement amounted to approximately HKD Nil (2022: HKD1,786,000) as at 31 December 2023, do not meet the de-recognition requirements in HKFRS 9. The corresponding financial assets are included in trade, bills and other receivables (Note 26(iv)).

28. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES *(Continued)*

Notes: (Continued)

(ii) Government loan

As at 31 December 2022, Government loan amounting to approximately RMB7,963,000 (equivalent to approximately HKD8,967,000) represented a government loan received by a PRC subsidiary of the Company in prior years. The PRC subsidiary is required to fulfill certain financial and operating conditions for the coming 10 years since the date of the government loans agreements. If the PRC subsidiary was able to fulfill those conditions, the government loan will be forgiven by the government at the end of the specific period. The government loan is charged at an interest rate according to the People's Bank of China.

As at 31 December 2022, the accrued interest of government loans amounting to approximately HKD1,062,000 was included in accruals.

The government loans received were recorded as current liabilities at the end of the reporting period as, in the opinion of the directors of the Company, the government has discretionary right to demand full repayments if any of those conditions are not fulfilled.

During the year ended 31 December 2023, the government loan amounting to approximately RMB8,905,000 equivaled to approximately HKD9,602,000 (including interest payable of approximately RMB942,000 (equivalent to approximately HKD1,016,000 was derecognised with disposal of a subsidiary on 22 March 2023. Details of disposal of subsidiary are set out in note 37.

(iii) Other payables

As at 31 December 2022, other payables included provision for ECL on loan commitment amounted to approximately HKD6,512,000 in relation to the undrawn loan commitment amounted to approximately HKD185,968,000 granted to two borrowers.

During the year ended 31 December 2023, the loan commitment to one borrower has been expired, and, as at 31 December 2023, the fair value of the Charged Securities (as disclosed in Note 24(i)) held by the Group can fully covered the undrawn loan commitment to Central Wealth and the Group expected no further loan would be granted to Central Wealth. As a result, reversal of provision for ECL on loan commitment amounting to approximately HKD6,512,000 was recognised in the consolidated statement of profit or loss during the year.

	2023 **HKD'000**	2022 HKD'000
At 1 January	**6,512**	2,749
Release due to settlement	**–**	4,247
Change in risk parameter	**–**	(484)
Reversal	**(6,512)**	–
At 31 December	**–**	6,512

As at 31 December 2023, amounted to HKD3,440,000 represented the loan from an independent third party bearing 3% interest per annum. Interest payable (included in accruals) was approximately HKD122,000 as at 31 December 2023.

(iv) Accruals

As at 31 December 2023, accruals included interest payables of approximately HKD3,552,000 (2022: Nil) in relation to a bond payable at principal amount of HKD42,200,000 (Note 33).

29. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Notes	**2023 HKD'000**	2022 HKD'000
Contract assets	(i)	**–**	31
Contract liabilities	(ii)	**–**	3,868

Notes:

(i) Contract assets

The Group's retention receivables, arising from high technology business, represent certified contract payments in respect of products delivered, for which 10% of the contract value are withheld by customers for retention purposes, to secure the due performance of the contracts for a period of 12 months (defect liability period). The retention receivables are released to the Group pursuant to the provisions of the relevant contracts after the expiry of defect liability period and is consistent with market practice. In the opinion of the directors of the Company, the retention receivables will be received within 1 year and are classified as current assets in the consolidated statement of financial position.

The contract assets transferred to trade receivables during the year ended 31 December 2023 that were included in the balances as at 31 December 2022 were approximately HKD31,000 (2022: HKD4,641,000).

(ii) Contract liabilities

Contract liabilities are arising from high technology business and trading business and related services. The Group typical receives a deposit from customers when they sign the contract with the Group and when the products are delivering to the customers. In the opinion of the directors of the Company, contract liabilities are expected to be recognised as revenue within one year.

Movement of contract liabilities is as follows:

	2023 HKD'000	2022 HKD'000
At 1 January	**3,868**	7,171
Decrease in contract liabilities as a result of being recognised as revenue during the year that was included in the contract liabilities at the beginning of the year	**–**	(7,121)
Increase in contract liabilities as a result of receipt of customer deposits during the year	**–**	3,818
Disposal of subsidiary	**(3,868)**	–
At 31 December	**–**	3,868

30. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023 HKD'000	2022 HKD'000
Lease liabilities payable:		
– Within one year	**1,624**	4,069
– Within a period of more than one year but not more than two years	**352**	2,672
– Within a period of more than two years but not more than five years	**–**	1,170
	1,976	7,911
Less: future finance charges	**(73)**	(309)
	1,903	7,602
Less: portion classified as current liabilities	**(1,595)**	(3,830)
Non-current liabilities	**308**	3,772

As at 31 December 2023, the Group has leased office premises (2022: office premises and a production plant). These leases are reflected on the consolidated statement of financial position as right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a consistent manner to its office premises and a production plant (Note 17).

Each lease generally imposes a restriction that the right-of-use asset can only be used by the Group. The leases do not contain any variable lease payment, extension options or termination option among the lease contracts.

The table below describes the nature of the Group's leasing activities recognised as right-of-use assets in the consolidated statement of financial position as at 31 December 2023 and 2022:

	Number of lease		Remaining lease term (Number of months)	
Right-of-use assets	**2023**	2022	**2023**	2022
Office premise	**2**	2	**6 to 23**	5 to 18
Production plant	**–**	1	**–**	33

31. BANK BORROWINGS

	2023 **HKD'000**	2022 HKD'000
Secured bank borrowings	**276,783**	285,914
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**187,443**	195,700
Carrying amount repayable within one year	**89,340**	90,214
	276,783	285,914

Bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	2023 **HKD'000**	2022 HKD'000
Within one year	**89,340**	90,214
More than one year, but within two years	**9,694**	10,440
More than two years, but within five years	**31,279**	33,181
More than five years	**146,470**	152,079
	276,783	285,914

As at 31 December 2023, the bank borrowings bear interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower, (iii) 2.5% per annum over HIBOR (1 week to 1 month) (2022: (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower, (iii) 2.5% per annum over HIBOR (1 week to 1 month) and (iv) fixed rate at 3.85% per annum)). The weighted average effective interest rates per annum on the bank borrowings are as follows:

	2023	2022
Secured bank borrowings	**3.50%–6.72%**	2.44%–3.97%

At 31 December 2023, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD604,000,000 (2022: HKD660,000,000) (Note 18).

32. OTHER BORROWINGS

	Notes	2023 HKD'000	2022 HKD'000
Other borrowings due to:			
Securities Broker A	(i)	**50,283**	49,542
Securities Broker B	(ii)	**34,906**	34,906
Central Wealth Securities Investments Limited ("**CWSI**")	(iii)	**2,930**	2,221
		88,119	86,669

Notes:

(i) Securities Broker A

On 26 March 2018, a wholly owned subsidiary of the Group, Golden Horse Hong Kong Investment Limited (the "**Golden Horse**") entered into a margin loan account client agreement (the "**Margin Loan Agreement A**") with Securities Broker A, an independent securities broker. Pursuant to the Margin Loan Agreement A, Securities Broker A provided a margin loan facility to the Group up to HKD82,000,000 (2022: HKD82,000,000).

At 31 December 2023, the Group has utilised approximately HKD50,283,000 (2022: HKD49,542,000) of the margin loan facility granted by Securities Broker A. The loan has been interest free effective from June 2023, resulting an average interest rate of 3.125% (2022: 7.5%) per annum.

(iii) Securities Broker B

On 8 June 2018, Golden Horse entered into a revolving loan account client agreement (the "**Revolving Loan Agreement**") with Securities Broker B, an independent authorised financial institution. Pursuant to the Revolving Loan Agreement, Securities Broker B provided a revolving loan facility to the Group up to HKD35,000,000 (2022: HKD35,000,000) at an interest rate of HKD Prime Rate – 2% per annum. At 31 December 2023, the Group has utilised approximately HKD34,906,000 (2022: HKD34,906,000) of the margin loan facility granted by Securities Broker B.

(iii) CWSI

In 2018, the Company entered into certain services agreements with CWSI, a subsidiary of Central Wealth Group Holdings Limited (the "**Margin Financier**"). Pursuant to the services agreements, the Margin Financier provided a margin loan facility to the Group with daily maximum amounts not exceeding HKD100,000,000 and margin loan interest not exceeding HKD8,000,000 per annum. The other borrowings due to the Margin Financier would be repayable on demand and may be varied or terminated in the absolute discretion of the Margin Financier. At as 31 December 2023, the Group has utilised approximately HKD2,930,000 (2022: HKD2,221,000) of the margin loan facility granted by CWSI.

32. OTHER BORROWINGS *(Continued)*

The Group's other borrowings are secured by the following assets:

	Notes	2023 HKD'000	2022 HKD'000
Investment properties	18	**270,000**	283,000
Financial assets at FVTOCI	20	**10,154**	66,197
Financial assets at FVTPL	22	**15,594**	63,995

Other borrowings due for repayment, based on the scheduled repayment terms set out in the agreements and without taking into account the effect of any repayment on default clause are as follows:

	2023 HKD'000	2022 HKD'000
Within one year or on demand	**88,119**	86,669

Partial of the other borrowings amounting to approximately HKD50,283,000 (2022: HKD49,542,000) are subject to the fulfilment of covenants, but certain covenants have not been fulfilled. The directors of the Company do not consider that it is probable that the securities brokers will exercise their discretion to demand immediate repayment. The directors of the Company believe that such other borrowings will be repaid in accordance with the scheduled repayment dates as determined by the agreements.

33. BOND PAYABLE

The Group issued a bond at principal amount of HKD42,200,000 with maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime rate payable quarterly in arrears with a net carrying amount of approximately HKD45,752,000 as at 31 December 2023, of which approximately HKD3,552,000 interest payable was classified as current liabilities and HKD42,200,000 was classified as non-current liabilities as at 31 December 2023.

34. SHARE CAPITAL

	Number of ordinary shares *(Note (i))*	Number of preference shares	Amount HKD'000
Share capital			
Ordinary shares of HKD0.02 each (before share consolidation) and HKD0.4 each (after share consolidation)			
Authorised:			
At 1 January 2022	12,474,000,000	26,000,000	250,000
Share consolidation *(Note (ii))*	(11,850,300,000)	(24,700,000)	–
At 31 December 2022, 1 January 2023 and 31 December 2023	623,700,000	1,300,000	250,000
Issued and fully paid:			
At 1 January 2022	1,093,921,858	–	21,878
Share consolidation *(Note (ii))*	(1,039,225,766)	–	–
Issuance of share upon rights issue *(Note (iii))*	61,399,399	–	24,560
At 31 December 2022 and 1 January 2023	**116,095,491**	**–**	**46,438**
Issuance of share upon rights issue *(Note (iv))*	**116,095,491**	**–**	**46,438**
At 31 December 2023	**232,190,982**	**–**	**92,876**

34. SHARE CAPITAL *(Continued)*

Notes:

(i) All the ordinary shares which were issued by the Company rank *pari passu* with each other in all respects.

(ii) On 15 December 2021, the director of the Company proposed to implement a share consolidation on the basis that every 20 issued and unissued shares of HKD0.02 each would be consolidated into one consolidated share of HKD0.4 each.

Pursuant to an ordinary resolution passed on 21 February 2022, the share consolidation was approved by the shareholders of the Company and has become effective on 23 February 2022 immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 1,093,921,858 to 54,696,092.

(iii) On 15 December 2021, the Company announced the proposed rights issue on the basis of three rights shares for every two consolidated shares at the subscription price of HKD0.9 per right share. Pursuant to the placing agreement entered with an independent placing agent, Po Tai Securities (Hong Kong) Limited on 15 December 2021, the Company conditionally agreed to place through the placing agent for those unsubscribed rights shares at the placing price not less than the Subscription Price to the places who and whose ultimate beneficial owners are independent third parties.

The rights issue and the placing for those unsubscribed rights shares were completed on 20 May 2022, and 61,399,399 rights shares, including those unsubscribed rights shares issued through placing, were allotted and issued to the shareholders accordingly. The net proceeds after deducting the related expenses approximately HKD2,828,000, amounted to approximately HKD52,431,000. Accordingly, the Company's share capital increased by approximately HKD24,560,000 and the remaining balance of the net proceeds of approximately HKD27,871,000 was credited to the share premium account.

(iv) On 16 June 2023, the Company announced the proposed rights issue on the basis of one rights shares for every one rights shares at the subscription price of HKD0.6 per right share. Pursuant to the underwriter agreement entered with an independent placing agent, CWSI on 16 June 2023, shares to be underwritten by the underwriter shall be equivalent to the number of the rights issue.

The rights issue and placing for those unsubscribed rights shares were completed on 3 October 2023, and 116,095,491 rights shares, including those unsubscribed rights shares issued through placing, were allotted and issued to the shareholders accordingly. The net proceeds after deducting the related expenses approximately HKD3,691,000, amounted to approximately HKD65,966,000. Accordingly, the Company's share capital increased by approximately HKD46,438,000 and the remaining balance of the net proceeds of approximately HKD19,528,000 was credited to the share premium account.

35. RESERVES

The following describes the nature and purpose of each reserve within owners' equity:

Reserves	Description and purpose
Share premium	Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.
Share option reserve	Cumulative expenses recognised on the granting of share options over the vesting period.
Translation reserve	Cumulative gains/losses arising on retranslating the net assets of foreign operations into presentation currency.
Fair value reserve (non-cycling)	Gains/losses arising on recognising financial assets classified as FVTOCI.
Statutory reserve	In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses and may be capitalised as registered capital, provided that the remaining balance of the statutory reserve fund after such issue is no less than 25% of registered capital.

35. RESERVES *(Continued)*

The Company

	Share premium HKD'000	Share option reserve HKD'000 *(Note 36(a))*	Accumulated losses HKD'000	Total HKD'000
At 1 January 2022	1,548,288	5,428	(698,255)	855,461
Loss and total comprehensive loss for the year	–	–	(44,986)	(44,986)
Issuance of shares upon rights issue and placing, net of transaction costs *(Note 34(iii))*	27,871	–	–	27,871
Lapse of share options *(Note 36(a))*	–	(4,222)	–	(4,222)
Recognition of equity-settled share-based payments	–	848	–	848
At 31 December 2022 and 1 January 2023	**1,576,159**	**2,054**	**(743,241)**	**834,972**
Loss and total comprehensive loss for the year	**–**	**–**	**(167,766)**	**(167,766)**
Issuance of shares upon rights issue and placing, net of transaction costs *(Note 34(iv))*	**19,528**	**–**	**–**	**19,528**
Lapse of share options *(Note 36(a))*	**–**	**(2,054)**	**–**	**(2,054)**
At 31 December 2023	**1,595,687**	**–**	**(911,007)**	**684,680**

36. SHARE OPTION SCHEME/EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share option scheme

Pursuant to the written resolutions passed by all of the shareholders of the Company on 2 June 2003, the Company adopted a share option scheme (the "**Scheme 2003**"). Pursuant to an ordinary resolution passed at the EGM of the Company held on 22 February 2012, the Scheme 2003 was terminated and a new share option scheme (the "**Scheme 2012**") was adopted.

36. SHARE OPTION SCHEME/EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

(a) Share option scheme *(Continued)*

The purpose of the Scheme 2012 is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Scheme 2012, the directors may, at their absolute discretion, invite any employee (whether full-time or part time, including any executive director), any non-executive director (including independent non-executive director), any supplier of goods or services to any member of the Group or any entity in which the Group holds any equity interest (the "**Invested Entity**"), any customer of the Group or any Invested Entity, any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity, any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity to take up options to subscribe for shares in the Company representing up to a maximum 30% of the issued share capital of the Company from time to time and subject to renewal with shareholders' approval. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HKD5,000,000 must be approved by the Company's shareholders. Options granted must be taken up within 28 days of the date of grant, upon payment of HKD1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the directors but in any event not exceeding 10 years. The exercise price is determined by the directors and will be not less than the higher of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, the Scheme 2012 was terminated and a new share option scheme (the "**Scheme 2021**") was adopted. The adoption of Scheme 2021 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2012 and shall continue to be valid and subject to the provisions of Scheme 2012.

The purpose of the Scheme 2021 is to enable the Company to grant options to selected participants as incentives or rewards for their contribution or potential contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Under the Scheme 2021, the directors may, at their absolute discretion, invite any eligible participant (employees, directors, consultants, advisers and staff of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group) to take up options to subscribe for shares in the Company representing up to a maximum 30% of the relevant class of shares in issue from time to time and no options may be granted under the Scheme 2021 or any other share option schemes of the Company if this will result in this limit being exceeded. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme 2021 and any other share option schemes of the Company must not, in aggregate, exceed 10% of total number of shares in issue as at the date of the approval of the Scheme 2021, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or any of their respective associates in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the Company's shares in issue and with an aggregate value, based on the closing price of the Company's shares at the date of each grant, in excess of HKD5,000,000 must be approved by the Company's shareholders. Options granted must be taken up within 21 days of the date of grant, upon payment of HKD1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the directors but in any event not exceeding 10 years. The exercise price is determined by the directors and will be not less than the higher of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

36. SHARE OPTION SCHEME/EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

(a) Share option scheme *(Continued)*

The following table discloses details and movements of the Company's share options held by the directors of the Company, employees and consultants under the Scheme 2012 and the Scheme 2021 during the years ended 31 December 2023 and 2022:

	Date of grant	Exercise price HKD *(Note)*	Exercisable period	Outstanding at 1 January 2022	Adjustment in relation to the Share Consolidation *(Note)*	Adjustment in relation to the rights issue *(Note)*	Lapsed during the year	Outstanding at 31 December 2022 and 1 January 2023	Lapsed during the year	Outstanding at 31 December 2023
Directors	27 March 2020	11.26 (2022: 11.26)	27 March 2020 to 26 March 2022	18,495,504	(17,570,730)	–	(924,774)	**-**	**-**	**-**
	21 May 2021	2.508 (2022: 2.508)	21 May 2021 to 20 May 2023	9,400,000	(8,930,000)	13,522	–	**483,522**	**(483,522)**	**-**
	17 September 2021	2.16 (2022: 2.16)	16 March 2022 to 16 September 2023	11,400,000	(10,830,000)	15,679	(50,719)	**534,960**	**(534,960)**	**-**
Employees	27 March 2020	11.26 (2022: 11.26)	27 March 2020 to 26 March 2022	6,562,920	(6,234,774)	–	(328,146)	**-**	**-**	**-**
	17 September 2021	2.16 (2022: 2.16)	16 March 2022 to 16 September 2023	83,500,000	(79,325,000)	100,406	(685,000)	**3,590,406**	**(3,590,406)**	**-**
				129,358,424	(122,890,504)	129,607	(1,988,639)	**4,608,888**	**(4,608,888)**	**-**

Note: The number of the outstanding share option and exercise price had been adjusted as a result of the share consolidation and the rights issue during the year ended 31 December 2022.

All outstanding share options were lapsed during the year ended 31 December 2023. As result, share option reserve of approximately HKD2,054,000 (2022: HKD4,222,000) was reclassified to accumulated losses during the year ended 31 December 2023.

At 31 December 2022, the weighted average remaining contractual life of these outstanding share options is approximately 0.68 years, with a weighted average exercise price of HKD2.197 (after adjustment in relation to the share consolidation) per share option. At 31 December 2022, the number of exercisable share options was 4,608,888.

36. SHARE OPTION SCHEME/EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

(a) Share option scheme *(Continued)*

During the year ended 31 December 2022, the fair values of the share options were determined at the date of grant by using the Binomial Option Pricing Model, evaluated by Colliers, a firm of independent professional valuers, with the following inputs:

	17 September 2021
Share price at date of grant	HKD0.106
Exercise price	HKD0.108
Expected volatility	56.840%
Risk-free rate	0.126%
Expected dividend yield	0%
Expected life	1.5 years

(b) Equity settled share-based transactions

On 15 July 2015 (the "**Adoption Date**"), the directors of the Company adopted a share award scheme (the "**Share Award Scheme**") to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group. A trustee is appointed by the Group for administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the Company's shares may be acquired by the administration committee or the trustee at the cost of the Company. Such shares will be held in trust for the selected person until the vesting criteria and conditions have been satisfied.

The directors of the Company may, from time to time, at its sole and absolute discretion, select any executives, officers, directors, holders of any securities issued by any members of the Group and others of the Group (collectively referred to as "**Selected Person**") for participation in the Share Award Scheme and grant such number of awarded shares to any Selected Person of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued services within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the directors of the Company.

The Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option schemes of the Company representing in aggregate over 30% of the shares in issue as at the date of such grant.

During the year, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2022: Nil). No share award has been granted, vested, lapsed and cancelled during the year (2022: Nil).

No shares of the Company were held by the trustee of the Share Award Scheme as at 31 December 2023 and 2022.

37. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2023

Disposal of 合肥哈工焊研威達自動化科技有限公司 ("合肥哈工焊研威達")

On 2 January 2023, a wholly-owned subsidiary of the Company, 合肥哈工威達智能裝備有限公司 ("**智能裝備**") entered into a sale and purchase agreements with independent third parties, pursuant to which the 智能裝備 agreed to dispose of its 51% equity interest in 合肥哈工焊研威達 (representing the entire equity interest in 合肥哈工焊研威達 held by the Group) with an aggregate cash consideration of RMB1,500,000 (equivalent to approximately HKD1,617,000) (the "**Disposal**"). The Disposal was completed on 22 March 2023. As at 22 March 2023, 合肥哈工焊研威達 held 100% equity interest in 合肥哈工廣泰數控科技有限公司 ("**合肥哈工廣泰**").

The principal activities of 合肥哈工焊研威達 and 合肥哈工廣泰 are manufacturing of intelligent industrial welding robots and equipment business in the PRC.

The breakdown of consolidated assets/(liabilities) of 合肥哈工焊研威達 and 合肥哈工廣泰 as at 22 March 2023, the completion date of Disposal, and the consideration of Disposal are as follow:

	HKD'000
Inventories	**7,246**
Trade and other receivables	**23,175**
Tax recoverable	**1**
Cash and bank balances	**389**
Trade payables, accruals and other payables	**(40,509)**
Lease liabilities	**(3,499)**
Net liabilities of 合肥哈工焊研威達 and 合肥哈工廣泰 disposed of	**(13,197)**
Non-controlling interests *(Note)*	**10,202**
Release of translation reserve	**(226)**
Gain on disposal of subsidiaries	**4,838**
Total consideration to be satisfied by cash	**1,617**

Cashflow movement in relation to the Disposal during the year ended 31 December 2023:

	HKD'000
Cash consideration received	**1,617**
Cash at bank disposed of	**(389)**
Net cash inflow arising on Disposal	**1,228**

Note: The balance of non-controlling interest of approximately HKD10,202,000, representing the share capital and accumulated loss shared to the non-controlling shareholder.

37. DISPOSAL OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2022

Disposal of 揚州哈工漫威機器人有限公司 ("哈工漫威")

On 10 January 2022, 江蘇未徠棟楠科技有限公司 ("**未徠棟楠**") entered into a sale and purchase agreements with independent third parties, pursuant to which the 未徠棟楠 agreed to dispose of its 55% equity in 哈工漫威 (representing the entire equity interest in 哈工漫威 held by the Group) with an aggregate cash consideration of RMB1 (equivalent to approximately HKD1) (the "**Disposal of 漫威**"). The Disposal of 漫威 was completed on 10 January 2022.

The principal activities of 哈工漫威 is trading of artificial intelligence products and provide application solutions in PRC.

The breakdown of consolidated assets/(liabilities) of 哈工漫威 as at 10 January 2022, the completion date of Disposal of 漫威, and the consideration of Disposal of 漫威 are as follow:

	HKD'000
Trade and other receivables	6,046
Inventories	3,167
Cash and bank balances	99
Trade payables, accruals and other payables	(9,443)
Tax payable	(1)
Net liabilities of 哈工漫威 disposed of	(132)
Non-controlling interests *(Note)*	60
Release of translation reserve	(65)
Gain on disposal of subsidiaries	137
Total consideration to be satisfied by cash	–*

* Amount less than HKD1,000

Cashflow movement in relation to the Disposal of 漫威 during the year ended 31 December 2022:

	HKD'000
Cash consideration received	–*
Cash at bank disposed of	(99)
Net cash outflow arising on Disposal of 漫威	(99)

Note: The balance of non-controlling interest of approximately HKD60,000, representing the paid-up capital by and accumulated loss shared to the non-controlling shareholder.

* Amount less than HKD1,000

38. RETIREMENT BENEFITS PLANS

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance for all 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 HKD30,000. Contributions to the plan vest immediately.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government of the PRC. The central pension scheme is a defined contribution retirement plan and the PRC subsidiaries and their employees are required to contribute a percentage of their relevant income to the central pension scheme as specified by the local municipal government of the PRC.

The total cost charged to the profit or loss of approximately HKD266,000 (2022: HKD334,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

39. COMMITMENTS

(a) Operating lease – the Group as lessor

The Group leases its investment properties (Note 18) under operating lease arrangements, with leases negotiated for terms from one to three years. The terms of the leases also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenant for the following future minimum undiscounted lease payments:

	2023 **HKD'000**	2022 HKD'000
Within one year	**3,112**	4,838
Over one year but within two years	**902**	2,311
Over two years but within five years	**162**	534
	4,176	7,683

(b) Other commitment

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following other commitment at the end of the reporting period:

Unpaid share capital for 揚州越界

For the 30% registered capital of RMB1,980,000 (equivalent to approximately HKD2,187,000) (2022: RMB1,980,000 (equivalent to approximately HKD2,230,000)) for 揚州越界, an associate of the Company, the Group shall pay the remaining amount of 30% registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,635,000) (2022: RMB1,480,000 (equivalent to approximately HKD1,667,000)) within two years after the date of issuance of business license on 16 October 2019.

For the unpaid registered capital, the directors of the Company considered that the risk to pay the penalty is remote and hence no provision for the penalty has been provided as at 31 December 2023 and 2022.

40. MATERIAL RELATED PARTY TRANSACTIONS AND DISCLOSURES

(a) Transactions with related parties

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties during the year:

(i) During the year ended 31 December 2022, 合肥哈工焊研威達, an indirectly non-wholly-owned subsidiary of the Company, outsourced the assembling working to and purchased raw material from 成都焊研威達科技股份有限公司 ("**成都焊研威達**") of high technology business of approximately RMB51,000 (equivalent to approximately HKD60,000), in which 金雲龍 is the key management personnel of both 合肥哈工焊研威達 and 成都焊研威達.

(ii) During the year ended 31 December 2022, 合肥哈工廣泰數控, an indirectly non-wholly-owned subsidiary of the Company, purchased inventory of high technology business from 成都廣泰威達數控技術股份有限公司 ("**成都廣泰威達**") of approximately RMB70,000 (equivalent to approximately HKD77,000)), in which 金雲龍 is the key management personnel of both 合肥哈工廣泰 and 成都廣泰威達.

(b) Compensation to key management personnel

The remuneration for key management personnel of the Group, including directors and other members of key management, during the year was as follows:

	2023 **HKD'000**	2022 HKD'000
Fees, salaries, bonuses and other benefits in kind	**3,478**	3,748
Contributions to retirement benefits scheme	**99**	82
Share-based payment expenses	**–**	97
	3,577	3,927

41. INTERESTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2023 and 2022 are as follows:

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company – Directly 2023 %	Directly 2022 %	Indirectly 2023 %	Indirectly 2022 %	Principal activities and place of operation
Ever Good Industries (International) Limited	Hong Kong, limited liability	HKD100	**100%**	100%	**–**	–	Inactive
Smart Prosper Enterprises (International) Limited	Hong Kong, limited liability	HKD100	**–**	–	**100%**	100%	Investment holding
Globally Finance Limited	Hong Kong, limited liability	HKD1	**100%**	100%	**–**	–	Provision of financing services in Hong Kong
Golden Horse Hong Kong Investment Limited	Hong Kong, limited liability	HKD1	**100%**	100%	**–**	–	Securities trading and investment in Hong Kong
Bright Oriental Worldwide Limited	Hong Kong, limited liability	HKD1	**100%**	100%	**–**	–	Inactive
Sky Faith International Investment Limited	Hong Kong, limited liability	HKD1	**100%**	100%	**–**	–	Trading business in Hong Kong
Central Mark Group Limited *(Note (iv))*	The BVI, limited liability	1 ordinary share of USD1	**–**	100%	**–**	–	Investment holding
Skypark Developments Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding
深圳未徠機器人有限公司	The PRC, limited liability *(Note (i))*	HKD10,000,000 (2022: HKD10,000,000)	**–**	–	**100%**	100%	Trading of robots and related products in the PRC
Infinite Bright Limited *(Note (ii))*	Hong Kong, limited liability	HKD1	**–**	–	**–**	100%	Inactive
HK Ocean Wave Motion Pictures Limited *(Note (iv))*	Hong Kong, limited liability	HKD100	**–**	–	**–**	51%	Inactive
China Wisdom Group Limited *(Note (iv))*	Hong Kong, limited liability	HKD1	**–**	–	**–**	100%	Investment in film production in Hong Kong
Chinacorp (HK) Investment Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Property investment in Hong Kong
Power Estate Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding

41. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company – Directly 2023 %	Directly 2022 %	Indirectly 2023 %	Indirectly 2022 %	Principal activities and place of operation
Success Estate Investments Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding
Future World Robotics Holdings Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Inactive
Alpha Idea Holdings Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Inactive
Wise Victory Group Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding
Pioneer Lion Limited *(Note (iv))*	The BVI, limited liability	1 ordinary share of USD1	**–**	–	**–**	100%	Investment holding
Best Pacific Global Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding
Oriental Creation Limited	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Investment holding
Future World Securities Investment Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Securities trading and investment in Hong Kong
Goodview Assets Limited	The BVI, limited liability	1 ordinary share of USD1	**–**	–	**100%**	100%	Property investment in Hong Kong
Hamin Technology (Hong Kong) Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Trading of robotic gripper and copper cathodes in Hong Kong
Rich Power International Holding Limited	Hong Kong, limited liability	HKD10	**–**	–	**100%**	100%	Property investment in the PRC
Future Fuhai International Limited	Hong Kong, limited liability	HKD2,000,000	**–**	–	**51%**	51%	Inactive
PT Future Fuhai Electric Technology	Indonesia, limited liability	– *(Note (ix))*	**–**	–	**46%** *(Note (x))*	46% *(Note (x))*	Inactive
江蘇未徠哈工漫威機器人有限公司 *(Note (v))*	The PRC, limited liability *(Note (iii))*	–	**–**	–	**–**	–	Artificial intelligence products and application solutions business in the PRC
合肥哈工威達智能裝備有限公司 *(Note (vi))*	The PRC, limited liability *(Note (iii))*	RMB7,357,000	**–**	–	**–**	100%	Investment holding

41. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company Directly 2023 %	Directly 2022 %	Indirectly 2023 %	Indirectly 2022 %	Principal activities and place of operation
合肥哈工焊研威達自動化科技有限公司 *(Note (iv))*	The PRC, limited liability *(Note (iii))*	–	**–**	–	**–**	51%	Intelligent industrial welding robots and equipment business in the PRC
合肥哈工廣泰數控科技有限公司 *(Note (iv))*	The PRC, limited liability *(Note (iii))*	–	**–**	–	**–**	51%	Intelligent industrial welding robots and equipment business in the PRC
江蘇未徠棟楠科技有限公司	The PRC, limited liability *(Note (i))*	HKD11,242,000	**–**	–	**100%**	100%	Investment holding
Castle King International Limited *(Note (iv))*	The BVI, limited liability	1 ordinary share of USD1	**–**	100%	**–**	–	Inactive
Fun Create International Limited *(Note (iv))*	Hong Kong, limited liability	HKD100	**–**	–	**–**	51%	Inactive
Topsky Eagle Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Investment holding
Million Park Limited *(Note (viii))*	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	Inactive
Trillion Wealth Limited *(Note (viii))*	The BVI, limited liability	1 ordinary share of USD1	**100%**	100%	**–**	–	Inactive
深圳柏億實業投資有限公司 ("**Shenzhen Baiyi**") *(Note (vii))*	The PRC, limited liability *(Note (i))*	– *(Note (ix))*	**100%**	–	**–**	–	Investment holding

41. INTERESTS IN SUBSIDIARIES *(Continued)*

Notes:

(i) The subsidiaries were established in the PRC as a wholly owned foreign enterprises under PRC law.

(ii) The subsidiary was dissolved on 31 December 2022.

(iii) The subsidiaries were established in the PRC as a domestic companies under PRC law.

(iv) These companies were disposed of during the year ended 31 December 2023.

(v) These companies were disposed of during the year ended 31 December 2022.

(vi) The subsidiary was deregistered during the year ended 31 December 2023.

(vii) The subsidiary was newly incorporated during the year ended 31 December 2023.

(viii) The subsidiary was newly incorporated during the year ended 31 December 2022.

(ix) As at 31 December 2023, certain subsidiaries' registered capital has not been fully paid up and aggregated unpaid share capital comprised of approximately RMB1,000,000 (equivalent to approximately HKD1,107,000) and Rupiahs 27,000,000,000 (equivalent to approximately HKD13,695,000) (2022: HKD2,236,000, RMB53,400,000 (equivalent to approximately HKD60,464,000) and Rupiahs 27,000,000,000 (equivalent to approximately HKD13,546,000)).

(x) Future Fuhai International Limited, a non-wholly-owned subsidiary of the Company, has 90% equity interest in PT Future Fuhai Electric Technology. Although the Group has effective equity interest in PT Future Fuhai Electric Technology of 46%, the directors of the Company concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of PT Future Fuhai Electric Technology through Future Fuhai International Limited.

None of the subsidiaries had issued any debt securities at 31 December 2023 and 2022.

As at 31 December 2022 and during the period from 1 January 2023 to 22 March 2023, 合肥哈工焊研威達 and its subsidiary have material non-controlling interests ("**NCI**"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

41. INTERESTS IN SUBSIDIARIES *(Continued)*

合肥哈工焊研威達 and its subsidiary

Summarised financial information in relation to 合肥哈工焊研威達 and its subsidiary for the period from 1 January 2023 to 22 March 2023 (2022: year ended 31 December 2022), before intra-group eliminations, is presented below:

	As at 22 March 2023 HKD'000	As at 31 December 2022 HKD'000
As at 31 December		
NCI percentage	**49%**	49%
Current assets	**30,811**	28,108
Non-current assets	**–**	–
Current liabilities	**(41,802)**	(44,777)
Non-current liabilities	**(2,206)**	(2,530)
Net liabilities	**(13,197)**	(19,199)
Accumulated balance of NCI	**(6,467)**	(9,408)

	From 1 January 2023 to 22 March 2023 HKD'000	For the year ended 31 December 2022 HKD'000
Revenue	**–**	16,070
Loss for the year	**(8,713)**	(17,640)
Other comprehensive income for the year	**802**	912
Total comprehensive loss for the year	**(7,911)**	(16,728)
Loss allocated to NCI for the year	**(4,269)**	(8,643)
Other comprehensive income allocated to NCI for the year	**393**	447
Total comprehensive loss allocated to NCI for the year	**(3,876)**	(8,196)
Cash flows from operating activities	**(804)**	5,049
Cash flows from investing activities	**–**	–
Cash flows from financing activities	**(213)**	(4,894)
Net cash (outflows)/inflows	**(1,017)**	155

Note: 合肥哈工焊研威達 was disposed of on 22 March 2023 as disclosed in Note 37, the financial information of 合肥哈工焊研威達 for the period from 1 January 2023 to 22 March 2023 are presented.

42. CAPITAL RISK MANAGEMENT

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 through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities, bank borrowings and other borrowings disclosed in Notes 30, 31 and 32 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

43. FINANCIAL INSTRUMENTS BY CATEGORY

	2023 HKD'000	2022 HKD'000
Financial assets		
At FVTOCI:		
Equity instruments	**10,154**	66,197
At FVTPL:		
Equity instruments	**62,542**	114,551
Debt instrument	**–**	5,482
Investment fund	**26,291**	–
	88,833	120,033
At amortised cost:		
Corporate bond	**14,039**	15,010
Loan and interest receivables	**198,278**	200,462
Trade, bills and other receivables	**51,435**	47,313
Cash and bank balances	**81,721**	38,983
	345,473	301,768
	444,460	487,998
Financial liabilities		
At amortised cost:		
Trade payables, accruals and other payables	**13,434**	50,514
Lease liabilities	**1,903**	7,602
Bank borrowings	**276,783**	285,914
Other borrowings	**88,119**	86,669
Bond payable	**42,200**	–
	422,439	430,699

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments including financial assets at FVTOCI, investment in corporate bond financial assets at FVTPL, loan and interest receivables, trade, bills and other receivables, cash and bank balances, trade payables, accruals and other payables, lease liabilities, bank borrowings, other borrowings and bond payable. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These has been no change to the Group's exposure or the manner in which it manages and measures the risk.

(a) Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances and bank borrowings and other borrowings as detailed in Notes 27, 31 and 32 respectively. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group's bank balances are short-term in nature and the exposure of the interest rate is minimal.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings and other borrowings at the end of each reporting period. The analysis is prepared assuming these borrowings outstanding at the end of reporting period were outstanding for whole year. A 100 basis points increase or decrease in HIBOR and Prime rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest for the year.

	2023 Increase/ (decrease) in post-tax loss HKD'000	2022 Increase/ (decrease) in post-tax loss HKD'000
100 basis point increase	**3,047**	3,111
100 basis point decrease	**(3,047)**	(3,111)

(ii) Other price risk

The Group is exposed to price risk arising from certain investments held by the Group are classified in the consolidated statement of financial position as financial assets at FVTOCI and financial assets at FVTPL.

The Group's equity price risk is mainly concentrated on listed equity instruments quoted in the Stock Exchange and the securities bond price risk is mainly concentrated on the debt instruments quoted market price in over-the-counter market. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(a) Market risk *(Continued)*

(ii) Other price risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of financial assets at FVTOCI and financial assets at FVTPL at the end of reporting period.

If the prices of the respective equity instruments and debt instrument had been 101% (2022: 48%) higher/lower and all other variables were held constant, post-tax loss for the year would increase/decrease by approximately HKD74,681,000 (2022: HKD48,489,000) as a result of the change in fair value of financial assets at FVTPL, and fair value reserve would increase/decrease by approximately HKD8,537,000 (2022: HKD26,742,000) as a result of the change in fair value of financial assets at FVTOCI.

(b) Credit risk and impairment assessment

Risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

Carrying amounts of the financial assets presented in the consolidated statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances.

The credit risk on bank balances is also limited because the Group's bank balances are all deposited with major banks located in Hong Kong and the PRC.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

At 31 December 2023, the Group has concentration of credit risk as 42% (2022: 39%) of the total loan and interest receivables were due from the Group's largest debtor. The loan and interest receivables were due from total 11 (2022: 17) debtors.

The Group has significant concentration risk on the largest customer as it represented 16% (2022: 28%) of the total revenue for the year.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Risk management (Continued)

The Group has the following of financial assets that are subject to the ECL model:

– loan and interest receivables, other receivables and investment in corporate bond; and

– trade receivables

The bills receivables and pledged bank deposits and bank balances are also subject to the impairment requirements of HKFRS 9, however, as the counterparties are banks with high credit ratings assigned by international credit-rating agencies, the identified impairment loss was immaterial.

Impairment of financial assets

(i) Loan and interest receivables, other receivables and investment in corporate bond

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group performs impairment assessment under ECL model on loan and interest receivables, other receivables and investment in corporate bond based on the credit spread at 12-month ECL.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Impairment of financial assets (Continued)

(i) Loan and interest receivables, other receivables and investment in corporate bond (Continued)

The table below shows the credit quality and the maximum exposure to credit risk of loan and interest receivables from money lending business and note receivables based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023 and 2022. The amounts presented are gross carrying amounts for loan and interest receivables.

	12-month ECLs	**Lifetime ECLs**		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HKD'000	HKD'000	HKD'000	HKD'000
At 31 December 2023				
Not yet past due	**110,036**	**27,859**	**11,387**	**149,282**
Less than 90 days past due	**–**	**67,110**	**–**	**67,110**
More than 90 days past due	**–**	**–**	**10,262**	**10,262**
	110,036	**94,969**	**21,649**	**226,654**
At 31 December 2022				
Not yet past due	147,012	48,450	11,387	206,849
90 days to 180 days past due	–	16,588	8,516	25,104
	147,012	65,038	19,903	231,953

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Impairment of financial assets (Continued)

(i) Loan and interest receivables, other receivables and investment in corporate bond (Continued)

The amounts presented are gross carrying amounts for investment in corporate bond.

	12-month ECLs	Lifetime ECLs		
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 31 December 2023				
More than 90 days past due	**–**	**–**	**21,775**	**21,775**
At 31 December 2022				
Not yet past due	20,000	–	–	20,000

The movement of provision for ECL of investment in corporate bond is as follows:

	Investment in corporate bond HKD'000
At 1 January 2022	–
Increase in loss allowance recognised in consolidated profit or loss during the year	4,990
At 31 December 2022 and 1 January 2023	**4,990**
Increase in loss allowance recognised in consolidated profit or loss during the year	**2,746**
At 31 December 2023	**7,736**

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Impairment of financial assets (Continued)

(i) Loan and interest receivables, other receivables and investment in corporate bond (Continued)

The amounts presented are gross carrying amounts for other receivables.

	12-month ECLs	Lifetime ECLs		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	HKD'000	HKD'000	HKD'000	HKD'000
At 31 December 2023				
Not yet past due	**1,877**	**–**	**–**	**1,877**
More than 90 days past due	**–**	**–**	**70,106**	**70,106**
	1,877	**–**	**70,106**	**71,983**
At 31 December 2022				
Not yet past due	3,390	–	–	3,390
Less than 90 days past due	–	45,746	–	45,746
More than 90 days past due	–	–	3,309	3,309
	3,390	45,746	3,309	52,445

Other receivables

Movement of impairment loss allowances for other receivables are as follows:

	Other receivables
	HKD'000
At 1 January 2022	189
Increase in loss allowance recognised in consolidated profit or loss during the year	11,886
Exchange realignment	(16)
At 31 December 2022 and 1 January 2023	**12,059**
Increase in loss allowance recognised in consolidated profit or loss during the year	**12,195**
Decrease in loss allowance recognised in consolidated profit or loss during the year due to disposal of subsidiary	**–**
Exchange realignment	**(3)**
At 31 December 2023	**24,251**

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Impairment of financial assets (Continued)

(ii) Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables based on the lifetime ECLs.

The Group uses provision matrix to calculate ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The estimated ECL loss rates are estimated based on the default rates from international credit rating agencies for various industries of debtors, debtor's creditworthiness and ageing of trade receivables and are adjusted with forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The Group has identified the gross domestic product in the Hong Kong and PRC to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the credit loss allowances as at 31 December 2023 and 2022 was determined as follows for trade receivables:

	Expected loss rate HKD'000	**Gross carrying amount** HKD'000	**Loss allowance** HKD'000	**Net carrying amount** HKD'000
At 31 December 2023				
Not yet past due	**0.00%**	**290**	**–**	**290**
Less than 30 days past due	**0.00%**	**580**	**–**	**580**
30 days to 90 days past due	**0.00%**	**300**	**–**	**300**
More than 90 days past due	**60.07%**	**1,107**	**(665)**	**442**
		2,277	**(665)**	**1,612**
At 31 December 2022				
Not yet past due	0.00%	643	–	643
Less than 30 days past due	0.00%	290	–	290
30 days to 90 days past due	0.92%	653	(6)	647
More than 90 days past due	85.77%	10,413	(8,931)	1,482
		11,999	(8,937)	3,062

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Impairment of financial assets (Continued)

(ii) Trade receivables (Continued)

As at 31 December 2023 and 2022, trade receivables are due to various group of debtors and the directors of the Company consider the credit risk of these parties is low, except for approximately HKD319,000 and RMB314,000 (equivalent to approximately HKD346,000) (2022: RMB7,931,000 (equivalent to approximately HKD8,931,000)) which has been credit-impaired due to long ageing.

Movement of impairment loss allowances for trade receivables are as follows:

	Trade receivables HKD'000
At 1 January 2022	3,176
Increase in loss allowance recognised in consolidated profit or loss during the year	6,197
Exchange realignment	(436)
At 31 December 2022 and 1 January 2023	**8,937**
Increase in loss allowance recognised in consolidated profit or loss during the year	**989**
Decrease in loss allowance recognised in consolidated profit or loss during the year due to disposal of subsidiary	**(9,261)**
Exchange realignment	**–**
At 31 December 2023	**665**

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(c) Liquidity risk

The Group incurred a net loss of approximately HKD152,531,000 for the year ended 31 December 2023 and, as of that date, the Group has bank and other borrowings in total of approximately HKD364,902,000 while the cash and bank balances of the Group were approximately HKD81,721,000. These conditions indicate an uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have considered the followings when they prepared these consolidated financial statements for the year ended 31 December 2023:

Bank borrowings of the Group of approximately HKD187,443,000, which have been classified as current liabilities as the related loan agreements contain a repayment on demand clause. According to the loan agreements, the loans are repayable by monthly instalments in 14 to 20 years. The Group regularly monitors its compliance with covenants and scheduled repayments of such bank borrowings and the directors of the Company do not consider that the banks will exercise their discretion to demand repayment so long as the Group continues to meet these requirements.

In addition, the directors of the Company also consider several measures together aiming at improving the working capital and cash flow position of the Group which include taking stringent cost controls of the Group, seeking opportunities on new businesses and equity fund-raising.

Taking into account of the above consideration and measures, the directors of the Company are satisfied that the Group will be able to meet its financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue as going concern, adjustments would have to be made to the consolidated financial statements to write down the carrying amounts of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the consolidated financial statements.

The Group aims at maintaining a balance between continuity of funding and flexibility through maintaining sufficient cash and bank balances. The Group monitored its compliance with covenants and repayment schedules of bank borrowings and other borrowings, and took measures to improve the Group's financial position. The directors of the Company have also reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(c) Liquidity risk *(Continued)*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The total undiscounted cash flows of each financial liability based on the earliest date on which the Company can be required to pay approximate to their carrying amounts at the end of the reporting period as follows:

	Weighted average interest rate per annum	On demand or within one year	Over one year but within two years	Over two years but within five years	Total contractual undiscounted cash flow	Carrying amounts
	%	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 31 December 2023						
Trade payables and accruals and other payables	**N/A**	**13,434**	**–**	**–**	**13,434**	**13,434**
Lease liabilities	**7.43**	**1,624**	**352**	**–**	**1,976**	**1,903**
Bank borrowings	**4.57**	**276,783**	**–**	**–**	**276,783**	**276,783**
Other borrowings	**4.79**	**88,714**	**–**	**–**	**88,714**	**88,119**
Bond payable	**8.63**	**–**	**45,890**	**–**	**45,890**	**42,200**
		380,555	**46,242**	**–**	**426,797**	**422,439**
At 31 December 2022						
Trade payables and accruals and other payables	N/A	50,514	–	–	50,514	50,514
Lease liabilities	4.48	4,069	2,672	1,170	7,911	7,602
Bank borrowings	2.97	285,914	–	–	285,914	285,914
Other borrowings	5.80	87,210	–	–	87,210	86,669
		427,707	2,672	1,170	431,549	430,699

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(c) Liquidity risk *(Continued)*

The table below summarises the maturity analysis of bank borrowings with a repayment on demand clause based on the agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using the specified interest rates. As a result, these amounts are greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. The directors of the Company do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments

	Within 3 months HKD'000	3 to 6 months HKD'000	6 to 12 months HKD'000	1 to 5 years HKD'000	Over 5 years HKD'000	Total undiscounted cash flow HKD'000	Carrying amounts HKD'000
At 31 December 2023	**5,426**	**5,426**	**93,540**	**55,684**	**186,063**	**346,139**	**276,783**
At 31 December 2022	4,261	4,261	88,523	72,449	166,034	335,528	285,914

45. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

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

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

45. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(Continued)*

Certain financial assets of the Group are measured at fair value at the end of each reporting period. Below is a summary of fair value hierarchy, valuation techniques used and the key inputs to evaluate the fair values of these financial assets:

Financial assets	Fair value as at **31 December 2023 HKD'000**	Fair value as at 31 December 2022 HKD'000	**Fair value hierarchy**	**Valuation technique(s) and key inputs**	**Significant unobservable inputs**
Listed equity securities classified as financial assets at FVTOCI	**10,154**	66,197	Level 1	Quoted bid prices in an active market	N/A
A securities bond classified as financial assets at FVTPL	**–**	5,482	Level 2	Quoted bid prices in over-the-counter market	N/A
Listed equity securities classified as financial assets at FVTPL	**62,542**	114,551	Level 1	Quoted bid prices in an active market	N/A
Unlisted investment fund classified as financial asset at FVTPL	**26,291**	–	Level 3	Adjusted net assets value approach	Net asset value

There were no transfers between Level 1, 2 and 3 in current and prior year.

	Fair value hierarchy **Level 1** HKD'000	**Level 2** HKD'000	**Level 3** HKD'000	**Total** HKD'000
At 31 December 2023				
Financial assets				
At FVTOCI	**10,154**	**–**	**–**	**10,154**
AT FVTPL	**62,542**	**–**	**26,291**	**88,833**
At 31 December 2022				
Financial assets				
At FVTOCI	66,197	–	–	66,197
At FVTPL	114,551	5,482	–	120,033

Except as detailed in the above table, the directors of the Company consider that carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

46. EVENTS AFTER THE REPORTING PERIOD

On 29 December 2023, one of the wholly-owned subsidiaries of the Company Shenzhen Baiyi Industrial Investment Co., Ltd. (深圳柏億實業投資有限公司) (“**Shenzhen Baiyi**”) entered into two equity transfer agreements with respective vendors, who are independent third parties of the Group, to acquire the entire interests in two companies established in the PRC principally engaged in hotel management and operation at a total consideration of RMB17,900,000 (the “**Acquisition**”) with details shown in the announcement made by the Company on 29 December 2023. The Acquisition was completed in March 2024. As at the date of completion, the two acquired companies were at pre-opening stage and had secured two management rights with two 4- to 5-star hotels in the PRC respectively. The Group expects to commence the hotel operations in the second half of 2024.

On 5 February 2024, Mr. Lai lent RMB20,000,000 (approximate to HKD21,739,000) to Shenzhen Baiyi, a wholly owned subsidiary of the Company, for a term of two years, which is unsecured and interest fee (the “**Director’s Loan**”).

On 18 March 2024, Shenzhen Baiyi entered into two equity transfer agreements with respective vendors, who are independent third parties of the Group, to acquire the entire interest in a company established in the PRC principally engaged in real estate and property services at a total consideration of RMB35,400,000 (the “**Acquisition of property**”) with details shown in the announcement made by the Company on 18 March 2024. The Acquisition of property is expected to be completed in May 2024.

On 22 March 2024, the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of the gross receivables of Considerations in relation to the transfer of Charged Securities and the Refund in relation to the Debt Assignment (the “**Assignment of Receivables**”), as mentioned in Note 26 (ii) to the consolidated financial statements, at a consideration of approximately HKD65,746,000 (the “**Consideration of Assignment**”). Mr. Lai shall pay the Consideration of Assignment in whole or in part by not more than 10 instalments to the Group before 31 December 2024.

Mr. Lai shall deliver the original of the deed of assignment executed by Mr. Lai in favour of the Company to assign the Director’s Loan owed to him by Shenzhen Baiyi to the Company in the event of default of repayment of the Consideration of Assignment. In additions, Mr. Lai undertakes that he shall not sell, transfer, assign, pledge or otherwise dispose the Director’s Loan at any time before the Consideration of Assignment is fully settled. Mr, Lai further undertakes to the Company that, except with prior written consent of the Company, he shall not sell, transfer, assign, pledge or otherwise dispose any of the 170,000,000 shares of Huili Resources (Group) Limited (“**Huili Resources**”), a company whose shares listed the Stock Exchange and 24,941,589 shares of the Company owned by him at any time before the Consideration of Assignment is fully settled, and so long as the Consideration of Assignment has not been fully settled, the proceeds from such disposal of shares of Huili Resources and the Company shall be used to settle the Consideration of Assignment. The completion of the Assignment of Receivables is subject to shareholder’s approval in the upcoming EGM of the Company. Details of the Assignment of Receivables refer to the announcement made by the Company on 22 March 2024.

47. CASH FLOW INFORMATION

(a) Reconciliation of liabilities from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes.

	Government loans included in trade payables, accruals and other payables HKD'000 *(Note 28)*	Lease liabilities HKD'000 *(Note 30)*	Bank borrowings HKD'000 *(Note 31)*	Other borrowings HKD'000 *(Note 32)*
At 1 January 2022	10,730	6,153	299,236	108,970
Changes from financing cash flows:				
Proceeds from bank borrowings	–	–	80,000	–
Proceeds from other borrowings	–	–	–	6,017
Repayments of bank borrowings	–	–	(93,017)	–
Repayments of other borrowings	–	–	–	(28,318)
Interest paid on bank and other borrowings	–	–	(8,533)	(5,260)
Repayment of lease liabilities – principal	–	(2,327)	–	–
Repayment of lease liabilities – interest	–	(141)	–	–
Total changes from financing cash flows	–	(2,468)	(21,550)	(27,561)
Other changes:				
Interest expenses *(Note 9)*	367	141	8,533	5,260
Addition of new lease *(Note 17)*	–	4,190	–	–
Derecognised due to disposal of subsidiary	(1,011)	–	–	–
Exchange realignment	(1,119)	(414)	(305)	–
Total other changes	(1,763)	3,917	8,228	5,260
At 31 December 2022 and 1 January 2023	8,967	7,602	285,914	86,669

47. CASH FLOW INFORMATION *(Continued)*

(a) Reconciliation of liabilities from financing activities *(Continued)*

	Government loans included in trade payables, accruals and other payables HKD'000 *(Note 28 (ii))*	Lease liabilities HKD'000 *(Note 30)*	Bank borrowings HKD'000 *(Note 31)*	Other borrowings HKD'000 *(Note 32)*	Bond payable HKD'000 *(Note 33)*	Interest payable of bond payable included in accruals HKD'000 *(Note 28 (iii))*
Changes from financing cash flows:						
Proceeds from bank borrowings	–	–	80,000	–	–	–
Proceeds from other borrowings	–	–	–	712	–	–
Proceeds from bond payable	–	–	–	–	42,200	–
Repayments of bank borrowings	–	–	(89,131)	–	–	–
Repayments of other borrowings	–	–	–	(803)	–	–
Interest paid on bank and other borrowings	–	–	(12,301)	(1,605)	–	–
Repayment of lease liabilities – principal	–	(2,709)	–	–	–	–
Repayment of lease liabilities – interest	–	(197)	–	–	–	–
Total changes from financing cash flows	–	(2,906)	(21,432)	(1,696)	42,200	–
Other changes:						
Interest expenses *(Note 9)*	–	197	12,301	3,146	–	3,552
Addition of new lease *(Note 17)*	–	662	–	–	–	–
Derecognised due to disposal of subsidiary	(8,587)	(3,499)	–	–	–	–
Exchange realignment	(380)	(153)	–	–	–	–
Total other changes	(8,967)	(2,793)	12,301	3,146	–	3,552
At 31 December 2023	–	1,903	276,783	88,119	42,200	3,552

(b) Major non-cash transactions

During the year ended 31 December 2022, loan and interest receivables amounted to approximately HKD45,746,000 were settled through disposal of certain Charged Securities with the receivables of Consideration recorded as other receivables as detailed in note 24 and note 26(ii).

During the year ended 31 December 2023, a right-of-use asset for new lease agreement entered by the Group for an office premises with amount of approximately HKD662,000 (2022: an office premises with amount of approximately HKD4,190,000) and the same amounts of lease liabilities were recognised.

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2023 HKD'000	2022 HKD'000
Non-current assets			
Property, plant and equipment		**507**	630
Right-of-use assets		**1,845**	3,637
Interests in subsidiaries		**615,982**	569,095
Investment in corporate bond		**14,039**	15,010
		632,373	588,372
Current assets			
Deposit and prepayment		**1,922**	1,484
Other receivables		**13,075**	275
Amounts due from subsidiaries		**187,521**	382,617
Loan receivables		**9,871**	–
Financial assets at FVTPL		**26,291**	–
Cash and bank balances		**71,275**	296
		309,955	384,672
Current liabilities			
Accruals and other payables		**11,118**	2,808
Lease liabilities		**1,595**	2,356
Amounts due to subsidiaries		**109,551**	85,228
		122,264	90,392
Net current assets		**187,691**	294,280
Total assets less current liabilities		**820,064**	882,652
Non-current liabilities			
Bond payable		**42,200**	–
Lease liabilities		**308**	1,242
		42,508	1,242
Net assets		**777,556**	881,410
Capital and reserves			
Share capital	34	**92,876**	46,438
Reserves	35	**684,680**	834,972
Total equity		**777,556**	881,410

The Company's statement of financial position was approved and authorised for issue by the board of directors on 27 March 2024 and is signed on its behalf by:

Lai Long Wai	**Liang Jian**
Director	*Director*

Five-year Financial Summary

RESULTS

	For the Year Ended 31 December				
	2023	2022	2021	2020	2019
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Revenue	**38,948**	47,137	85,991	234,659	80,916
Loss before income tax	**(150,960)**	(20,185)	(18,797)	(26,557)	(52,389)
Income tax (expense)/credit	**(1,571)**	4,580	42	(4,593)	(1,602)
Loss for the year	**(152,531)**	(15,605)	(18,755)	(31,150)	(53,991)

ASSETS AND LIABILITIES

	As at 31 December				
	2023	2022	2021	2020	2019
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Total assets	**1,225,921**	1,372,511	1,381,292	1,491,896	1,436,729
Total liabilities	**(424,856)**	(437,050)	(466,040)	(538,663)	(502,534)
Total equity	**801,065**	935,461	915,252	953,233	934,195