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中国科技产业集团有限公司
CHINA TECHNOLOGY INDUSTRY GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8111)

2024 INTERIM RESULT ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board (“**Board**”) of Directors (the “**Directors**”) of the China Technology Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the interim results of the Group for the six-month period ended 30 September 2024. This announcement, containing the full text of the interim report of the Company for the six-month period ended 30 September 2024, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of the interim results.

By order of the Board
China Technology Industry Group Limited
Huang Bo
Chairman

Hong Kong, 28 November 2024

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Huang Bo (Chairman), Mr. Huang Yuanming, Ms. Zhang Jinhua, Mr. Tse Man Kit, Keith and Ms. Hu Xin and three Independent Non-Executive Directors, namely Mr. Cheung Ting Kin, Ms. Ma Xingqin and Mr. Qiao Wencai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication and on the Company’s website at www.chinatechindgroup.com.



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (“**Directors**”) of China Technology Industry Group Limited (“**Company**” together with its subsidiaries, the “**Group**”), collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



INTERIM RESULTS HIGHLIGHTS

The loss attributable to owners of the Company for the six months ended 30 September 2024 ("**2024-1H**") was approximately RMB9.4 million (loss attributable to owners of the Company for the six months ended 30 September 2023 ("**2023-1H**"): approximately RMB11.0 million).

The Group recorded no revenue for 2024-1H and 2023-1H.

The Group recorded no gross profit margin for 2024-1H and 2023-1H.

Basic loss per share for 2024-1H was approximately RMB2.04 cents (2023-1H: basic loss per share of approximately RMB2.45 cents).

The Directors do not recommend the payment of a dividend for 2024-1H (2023-1H: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Six Months Ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	–	–
Cost of sales		–	–
Gross profit		–	–
Other revenue – bank interest income		2	5
Other losses and gains	5	46	(1,277)
Administrative expenses		(7,598)	(6,347)
Finance costs	6	(1,843)	(3,348)
Loss before tax	7	(9,393)	(10,967)
Income tax expense	8	–	–
Loss for the period		(9,393)	(10,967)
Total comprehensive expense for the period		(9,393)	(10,967)
Loss for the period attributable to:			
Owners of the Company		(9,393)	(10,967)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(9,393)	(10,967)
Dividend	9	–	–
		RMB cents	RMB cents
Loss per share	10		
Basic (RMB cents)		(2.04)	(2.45)
Diluted (RMB cents)		(2.04)	(2.45)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	<i>Notes</i>	30 September 2024 RMB'000 (Unaudited)	31 March 2024 RMB'000 (Audited)
Non-current assets			
Property and equipment	11	23,875	18,115
Right-of-use assets	12	16,915	17,416
Goodwill		–	–
Rental deposit		215	215
		41,005	35,746
Current assets			
Account receivables	13	44,843	61,943
Other receivables, deposits and prepayments		5,566	4,400
Bank balances and cash		2,119	517
		52,528	66,860
Current liabilities			
Account payables	14	1,203	1,203
Other payables and accruals		16,488	19,484
Other loans	15	12,030	–
Lease liabilities		123	449
		29,844	21,136
Net current assets		22,684	45,724
Total assets less current liabilities		63,689	81,470
Non-current liability			
Other loans	15	32,341	41,348
		32,341	41,348
Net assets		31,348	40,122
Capital and reserves			
Share capital	16	415	195,699
Reserves		30,933	(155,577)
Equity attributable to owners of the Company		31,348	40,122

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 September 2024

	Attributable to owners of the Company							Total
	Share capital	Share premium	Reserve arising from reorganisation (Note a)	Exchange reserve	Equity transaction reserve (Note b)	Share option reserve	Accumulated losses	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2023	189,876	120,291	(20,484)	156	(11,210)	-	(219,179)	59,450
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(10,967)	(10,967)
At 30 September 2023	189,876	120,291	(20,484)	156	(11,210)	-	(230,146)	48,483
At 1 April 2024	195,699	152,293	(20,484)	156	(11,210)	-	(266,332)	40,122
Capital Reduction (Note16)	(195,284)	-	-	-	-	-	195,284	-
Recognition of equity-settled share-based payments	-	-	-	-	-	619	-	619
Loss and total comprehensive expense for the period	-	-	-	-	-	-	(9,393)	(9,393)
At 30 September 2024	415	152,293	(20,484)	156	(11,210)	(619)	(80,441)	31,348

Notes:

(a) Reserve arising from reorganisation

The reserve arising from reorganisation represents the difference between the nominal value of the share capital of subsidiaries acquired and the cost of investments in these subsidiaries made by the Company in exchange thereof, and has been debited to the reserve of the Group.

(b) Equity transaction reserve

The equity transaction reserve represents the effect of changes in the Group's ownership interests in existing subsidiaries without losing control and the consideration to be issued for the aforementioned transaction in prior year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 September 2024

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
NET CASH FROM OPERATING ACTIVITIES	6,517	4,267
INVESTING ACTIVITIES		
Interest received	2	5
Purchase of property and equipment	(5,771)	(9,046)
NET CASH USED IN INVESTING ACTIVITIES	(5,769)	(9,041)
FINANCING ACTIVITIES		
New other loans raised	1,191	4,697
Repayments of lease liabilities	(337)	(408)
NET CASH FROM FINANCING ACTIVITIES	854	4,289
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,602	(485)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	517	3,421
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,119	2,936
Represented by:		
Bank balances and cash	2,119	2,936

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For The Six Months Ended 30 September 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”).

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the condensed consolidated financial statements for 2024-1H are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2024.

APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material effect 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.



3. REVENUE

DISAGGREGATION OF REVENUE

	Six months ended 30 September	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sales of renewable energy products	-	-
Timing of revenue recognition		
A point in time	-	-

4. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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

- (a) Sales of renewable energy products; and
- (b) Rendering of new energy power system integration services.

4. OPERATING SEGMENTS *(continued)*

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable segments:

Six months ended 30 September 2024

	Sales of renewable energy products RMB'000 (Unaudited)	Rendering of new energy power system integration services RMB'000 (Unaudited)	Unallocated RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	-	-	-	-
Segment loss	(780)	(1,230)	(5,586)	(7,596)
Unallocated other gains and losses				46
Unallocated expenses				-
Finance costs				(1,843)
Loss before tax				(9,393)
Income tax expense				-
Loss for the period				(9,393)

Six months ended 30 September 2023

	Sales of renewable energy products RMB'000 (Unaudited)	Rendering of new energy power system integration services RMB'000 (Unaudited)	Unallocated RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	-	-	-	-
Segment profit (loss)	(3,027)	-	(79)	(3,106)
Unallocated other losses and gains				(1,277)
Unallocated expenses				(3,236)
Finance costs				(3,348)
Loss before tax				(10,967)
Income tax expense				-
Loss for the period				(10,967)

4. OPERATING SEGMENTS *(continued)*

SEGMENT ASSETS AND LIABILITIES

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

As at 30 September 2024

	Sales of renewable energy products RMB'000 (Unaudited)	Rendering of new energy power system integration services RMB'000 (Unaudited)	Unallocated RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	47,205	45,413	15	92,633
Property and equipment (for corporate)				89
Right-of-use assets (for corporate)				119
Rental deposit (for corporate)				215
Other receivables, deposits and prepayments (for corporate)				135
Bank balances and cash (for corporate)				342
Total assets				93,533
Segment liabilities	1,247	839	136	2,222
Other payables and accruals (for corporate)				15,469
Other loans (for corporate)				44,371
Lease liabilities (for corporate)				123
Total liabilities				62,185

4. OPERATING SEGMENTS *(continued)*

SEGMENT ASSETS AND LIABILITIES *(continued)*

As at 31 March 2024

	Sales of renewable energy products RMB'000	New energy power system integration business RMB'000	Unallocated RMB'000	Total RMB'000
Segment assets	48,187	53,331	15	101,553
Property and equipment (for corporate)				14
Right-of-use assets (for corporate)				443
Rental deposit (for corporate)				215
Other receivables, deposits and prepayments (for corporate)				118
Bank balances and cash (for corporate)				283
Total assets				102,606
Segment liabilities	1,243	1,331	136	2,710
Other payables and accruals (for corporate)				17,977
Other loans (for corporate)				41,348
Lease liabilities (for corporate)				449
Total liabilities				62,484

For the purpose of monitoring segment performances and allocating resources among segments:

- all assets are allocated to operating segments, other than corporate assets of the management companies and investment holding companies such as property and equipment, right-of-use assets, rental deposit, other receivables, deposits and prepayments, and bank balances and cash; and
- all liabilities are allocated to operating segments, other than corporate liabilities of the management companies and investment holding companies, such as other payables and accruals, other loans and lease liabilities for corporate.

5. OTHER LOSSES AND GAINS

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Foreign exchange gain (loss)	46	(1,277)
	46	(1,277)

6. FINANCE COSTS

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Effective interest on convertible bonds	–	2,086
Interest on other loans	1,832	1,210
Interest on lease liabilities	11	52
	1,843	3,348

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories recognised as expenses	–	–
Depreciation of property and equipment	11	–
Depreciation of right-of-use assets	501	513
Short-term lease payments	–	12
Staff costs (including directors' emoluments)		
– Salaries and other benefits	3,021	2,400
– Retirement benefit scheme contributions	174	35
– Share-based payment expenses	619	–

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax		
– People's Republic of China ("PRC") Enterprise Income Tax	–	–
	–	–

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong during the six months ended 30 September 2024 (2023-1H: nil).

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for the six months ended 30 September 2024 (2023-1H: nil).

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities will be taxed at 8.25%, and the profits above HK\$2,000,000 will be taxed at 16.5%. The profits of entities not qualifying for the two-tiered profits tax rates regime will be taxed at 16.5%. No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the subsidiaries operating in Hong Kong for the six months ended 30 September 2024 (2023-1H: nil).

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (2023-1H: nil).

10. LOSS PER SHARE

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

	Six months ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss		
Loss for the period attributable to the owners of the Company	(9,393)	(10,967)

	Number of shares (in thousand)	
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	460,977	448,177

As the Group incurred net loss for 2024-1H and 2023-1H, outstanding share options and convertible bonds of the Company in the respective periods were excluded from the calculation of diluted loss per share as their inclusion would have anti-dilutive.

11. PROPERTY AND EQUIPMENT

During the period under review, the Group had made payment for construction-in-progress of approximately RMB5,685,000 (2023-1H: RMB9,046,000).

12. RIGHT-OF-USE ASSETS

	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Land use right (note a)	16,796	16,973
Leased properties (note b)	119	443
	16,915	17,416

notes:

- During the year ended 31 March 2023, the Group acquired a land use right with a term of 50 years at a total consideration of approximately RMB17.68 million (including direct costs of RMB680,000) and recognised as a right-of-use asset. No lease liability is recognised for the land use right as all the lease payments for the land use rights are paid before the commencement of lease.
- The Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

13. ACCOUNT RECEIVABLES

	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Receivables at amortised cost comprise:		
Account receivables – contracts with customers	101,356	118,456
Less: allowance for impairment of account receivables	(56,513)	(56,513)
	44,843	61,943

Notes:

As at 30 September 2024, account receivables from contracts with customers amounted to RMB44,843,000 (31 March 2024: RMB61,943,000). As at 30 September 2024, account receivables included RMB6,822,000 (31 March 2024: RMB16,923,000) due from a related company controlled by Mr. Huang Yuan Ming, the son of Mr. Huang Bo, a shareholder of the Company.

The Group does not hold any collateral over these balances.

The Group generally allows an average credit period of 180 days (31 March 2024: 180 days) to its trade customers. The following is an aged analysis of account receivables, net of allowance for impairment, presented based on dates of delivery of goods/the invoice dates:

	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Over 180 days	44,843	61,943
	44,843	61,943

14. ACCOUNT PAYABLES

The following is an aged analysis of account payables presented based on the invoice dates.

	As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Over 180 days	1,203	1,203
	1,203	1,203

The credit period is generally 90 to 180 days and certain suppliers allowed a longer credit period on a case-by-case basis.

15. OTHER LOANS

	Notes	As at 30 September 2024 RMB'000	As at 31 March 2024 RMB'000
Loans from directors	(a)	32,341	29,899
Loans from a former director	(b)	12,030	11,449
		44,371	41,348
Loans are repayable:			
– Within one year		12,030	–
– After one year but within two years		–	11,449
– After two years but within five years		32,341	29,899
		44,371	41,348
Analysed as:			
Current		12,030	–
Non-current		32,341	41,348
		44,371	41,348

15. OTHER LOANS (continued)

Notes:

(a) Loans from directors

The loans were advanced from the following executive directors:

	2024 RMB'000	2023 RMB'000
Mr. Tse Man Kit Keith (note (i) below)	2,471	2,344
Mr. Huang Bo (note (ii) below)	5,991	4,800
Mr. Huang Yuanming (note (i) below)	23,879	22,755
	32,341	29,899

(i) The amounts are interest bearing at a fixed interest rate of 12% per annum, unsecured and repayable on or before 31 March 2029.

(ii) The amounts are unsecured, interest-free and repayable more than twelve months from 31 March 2024.

(b) Loans from a former director

The loan is non-interest bearing, unsecured and repayable on or before 30 September 2025.

16. SHARE CAPITAL

	Number of shares of HK\$0.5 each '000	Number of shares of HK\$0.001 each '000	Share capital HK\$'000
Authorised			
At 31 March 2024 and 1 April 2024	1,000,000	–	500,000
Sub-division (note)	(1,000,000)	500,000,000	–
At 30 September 2024	–	500,000,000	500,000
Issued and fully paid			
At 31 March 2024 and 1 April 2024	460,977	–	230,488
Capital Reduction (note)	(460,977)	460,977	(230,027)
At 30 September 2024	–	460,977	461
		As at 30 September 2024 RMB'000 (Unaudited)	As at 31 March 2024 RMB'000 (Audited)
Presented in the condensed consolidated financial statements		415	195,699

Note: Pursuant to announcements on 2 January 2024 and 26 March 2024 and the circular of the Company dated 12 January 2024, with effective from 8 May 2024, (i) the capital reduction involving the reduction of the par value of each issued share of the issued Ordinary Shares from HK\$0.5 to HK\$0.001 by cancelling the paid-up share capital to the extent of HK\$0.499 per issued Ordinary Share so as to form issued new ordinary share with a par value of HK\$0.001 (the “**Capital Reduction**”); and (ii) the sub-division, immediately following the Capital Reduction becoming effective, each of the authorised but unissued Ordinary Share with par value of HK\$0.5 each be sub-divided into 500 authorised but unissued New Ordinary Shares with a par value of HK\$0.001 each (the “**Sub-division**”).

Upon the Capital Reduction becoming effective, the credit arising from the Capital Reduction was applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction and the balance of any such credit remaining after offsetting the accumulated losses of the Company was transferred to retained profit of the Company. This resulted in a transfer of approximately HK\$230,027,000 from share capital to accumulated losses of the Company of the same amount on 8 May 2024.



MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group sought to continue exploring new opportunities under the sales of renewable energy products business and new energy power system integration business lines. The Group recorded no revenue for the six months ended 30 September 2024 (2023-1H: nil). The Group recorded a loss attributable to the owners of approximately RMB9.4 million for the six months ended 30 September 2024 (2023-1H: loss attributable to the owners of the Company of RMB11.0 million).

SALES OF RENEWABLE ENERGY PRODUCTS


The business of sales of renewable energy products mainly involves research, development and sales of photovoltaic mounting brackets, solar trackers, guardrails of solar power stations, solar power related products, and towers for wind turbines. In conjunction, the Group also provides, in some cases, (i) certain technology consultation services with respect to the photovoltaic mounting brackets that it sells (including photovoltaic mounting bracket design services), (ii) certain on-site services (including assisting customers on site with unloading goods, collecting products, stock-taking, final testing products before acceptance), and (iii) technical services for the wind turbine towers products (including technical advice, support and trainings).

There was no revenue generated from the sales of renewable energy products for the six months ended 30 September 2024 (2023-1H: nil).

RENDERING OF NEW ENERGY POWER SYSTEM INTEGRATION SERVICES

The business of rendering of new energy power system integration services mainly involves acting as the contractor of its customers' new power station projects, helping its customers integrate their equipment, functions and information into a connected, unified and coordinated system. The Group is also responsible for making project design proposals, conducting site visits, procuring construction materials, carrying out construction work, and assisting in operation trials. The Group also offers subsequent system management services to its customers' new energy power stations.

On 22 September 2023, the Group through its indirectly wholly owned subsidiary, Sanmenxia Baike, entered into a Corporation Agreement with its Project Partner in relation to, among other things, the supply of electricity from Power Plants to the Project Partner for an electricity fee payable by the Project Partner. The electricity fees will be recognized as revenue of the Group. On 21 June 2024, the Group entered into the EPC Contract (as defined under the announcement of the Company dated 21 June 2024), pursuant to which the Henan Energy Storage Power Plant, being one of the Power Plants, will be constructed.



On 12 August 2024, the Group entered into a sale and purchase agreement with an independent third party of the Group (as supplemented by the supplemental agreement entered into by the same parties on 7 October 2024), for the sale and purchase of rooftop solar panel power generation systems and related equipment and machinery (“**Solar Panel Systems**”). The Group expects to utilise the Solar Panel Systems to generate revenue as part of its “Rendering of New Energy Power System Integration Services” business line. As all the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of this acquisition were below 5%, the said acquisition was not a notifiable transaction under Chapter 19 of the GEM Listing Rules. Further, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of the said acquisition, the seller and its ultimate beneficial owner(s) were third parties independent of the Company and its connected persons. As such, the acquisition also did not constitute a connected transaction under Chapter 20 of the GEM Listing Rules.

There was no revenue generated from the rendering of new energy power system integration services during the six months ended 30 September 2024 (2023-1H: Nil).

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

The Group recorded no revenue for the six months ended 30 September 2024 (2023-1H: nil). The Group did not recognise revenue for the six months ended 30 September 2024 because the Company experienced a delay in completing negotiations of new projects.

The Group’s gross profit margin remained at 0 per cent for 2024-1H, as compared with 2023-1H.

ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately RMB1.3 million, or 19.7% from approximately RMB6.3 million for the six months ended 30 September 2023 to approximately RMB7.6 million for the six months ended 30 September 2024 which was attributable to the recognition share-based payment expenses of approximately RMB0.6 million and increasing of salaries and allowance by approximately RMB0.6 million.

LIQUIDITY, FINANCIAL RESOURCES AND TREASURY POLICIES

As at 30 September 2024, the Group had cash and bank balances denominated in Hong Kong dollars, Renminbi and United States dollars amounting to a total of approximately RMB2.1 million (31 March 2024: approximately RMB0.5 million). The Group had no outstanding bank overdraft as at 30 September 2024 (31 March 2024: Nil).

As at 30 September 2024, the Group had other loans amounting to (i) approximately RMB2.5 million (31 March 2024: RMB2.3 million) that was due to an executive Director, Mr. Tse Man Kit Keith; and approximately RMB23.9 million (31 March 2024: approximately RMB22.8 million) that was due to Mr. Huang Yuanming, an executive director and the son of Mr. Huang Bo, which was interest bearing at 12% per annum, unsecured and repayable on or before 31 March 2029; (ii) approximately RMB12.0 million (31 March 2024: approximately RMB11.4 million) that was due to a former executive Director, Mr. Chiu Tung Ping, which was unsecured, non-interest bearing and repayable on or before 30 September 2025; and (iii) approximately RMB6.0 million (31 March 2024: RMB4.8 million) that was due to Mr. Huang Bo, an executive Director and a substantial shareholder of the Company, which was unsecured, non-interest bearing and repayable more than twelve months from 31 March 2024.

The Group financed its operations by internally generated cash flows and borrowings.

During the period under review, the Group did not use any financial instrument for hedging purpose and did not have any outstanding hedging instrument as at 30 September 2024.

BANKING FACILITIES

As at 30 September 2024, the Group did not have any banking facilities (31 March 2024: Nil).

CURRENT RATIO

As at 30 September 2024, the Group's current ratio, represented by a ratio of current assets to current liabilities, was approximately 1.8 (31 March 2024: 3.2). Despite of the decrease, the current ratio is maintained at healthy level of liquidity.

GEARING RATIO

As at 30 September 2024, the gearing ratio of the Group, based on total liabilities over total assets, was approximately 66.5 per cent. (31 March 2024: approximately 60.9 per cent.). The gearing ratio remained stable during 2024-1H.

	As at 30 September 2024 RMB'000	As at 31 March 2024 RMB'000
Total assets	93,533	102,606
Total liabilities	(62,185)	(62,484)
Gearing ratio	66.5 per cent.	60.9 per cent.

CHARGES ON ASSETS

As at 30 September 2024, the Group pledged no asset to secure borrowings granted to the Group (31 March 2024: Nil).

CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any significant contingent liabilities (31 March 2024: Nil).


EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the transactions, income and expenditure of the Group are denominated in Renminbi. The Group may be exposed to foreign currency risks such as the PRC's government control on foreign currency conversion. During 2024-1H, the Group did not have a foreign currency hedging policy. However, the management will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES

As at 30 September 2024, the Group employed 23 and 11 staff (2024-1H: 23 and 7 staff) in the PRC and Hong Kong respectively. The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Staff cost, including directors' emoluments, was approximately RMB3.8 million for 2024-1H (2023-1H: approximately RMB2.4 million) mainly due to the increase in the average number of staffs and the recognition of share-based payment expense during the six months ended 30 September 2024, as compared with the same period last year.

Continuing briefing and professional development is provided to the Directors and company secretary of the Company if necessary. Other staff serving in different positions is subject to different classes of training. Other staff would receive trainings that cover internal programs, seminars or other related activities which are mainly related to working knowledge and expertise, and also certain trainings in relation to occupational safety each year.



The remuneration of the Directors was determined by the Board with reference to the prevailing market rates, roles and responsibilities of the Directors. Share options may be granted to Directors and employees of the Group to subscribe for shares of the Company. Particulars of the Share Option Scheme are set out in the section “Equity-Linked Agreements” of this interim report.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There were no significant investments or material acquisition or disposal of subsidiaries by the Group during the period under review.

EVENTS OCCURRED DURING THE PERIOD UNDER REVIEW

I. The EPC Contract

On 21 June 2024 (after trading hours), Sanmenxia Baike entered into the EPC Contract with Hebei Han Neng in relation to, among other things, the construction of the Energy Storage Power Plant in Sanmenxia in Henan Province in the PRC. Pursuant to the EPC Contract, Hebei Han Neng shall be responsible as the EPC contractor for the Works in relation to (a) the construction of Henan Energy Storage Power Plant, including but not limited to the construction drawing design, materials procurement, construction and testing of the Henan Energy Storage Power Plant; and (b) the completion of various formalities required for the completion of the construction of the Henan Energy Storage Power Plant. The total Contract Price is in the amount of RMB180,000,000 (inclusive of 10% tax).

Details of the transaction has been set out in the announcement and the circular of the Company dated 21 June 2024 and 23 August 2024 respectively.

The independent Shareholders’ approval was obtained on 13 September 2024.

II. The License Agreement

on 30 September 2024 (after trading hours), China Technology Industry Investment Limited (the “**Licensee**”), a wholly-owned subsidiary of the Company, entered into the Licence Agreement (as defined in the announcement of the Company on 30 September 2024) with Hundred Year Engineering Limited (the “**Licensor**”), pursuant to which the Licensor agreed to licence to the Group the right to use and occupy the roof top of the Licensed Premises (as defined in the announcement of the Company on 30 September 2024) for a term commencing from the date of the Licence Agreement and ending on the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier. The Group will primarily use the roof top of the Licensed Premises to install and operate solar panel power generation system and equipment to participate in the Feed-in Tariff Scheme of CLP Power.

Details of the transaction has been set out in the announcement of the Company dated 30 September 2024.



SUBSEQUENT EVENT AFTER REPORTING PERIOD

I. *The Acquisition of Assets and Licence Agreement*

On 21 November 2024 (after trading hour), China Technology Industry Investment Limited (“**CTII**”) entered into:

- a) the Sales and Purchase Agreement (as defined in the announcement of the Company on 21 November 2024) with Hundred Year Engineering Limited (“**Hundred Year**”), pursuant to which Hundred Year agreed to sell, and the CTII agreed to acquire, the solar panel power generation system and equipment to be installed on the rooftop of the Licensed Premises (as defined in the announcement of the Company on 21 November 2024), in order for CTII to participate in the Feed-in Tariff Scheme of CLP Power. The consideration for the acquisition is HK\$4.7 million.
- b) The Licence Agreement (as defined in the announcement of the Company on 21 November 2024) with Hundred Year, pursuant to which the Hundred Year agreed to licence to the CTII the right to use and occupy the rooftop of the Licensed Premises for a term commencing from the date of the Licence Agreement and ending on the date falling on the 9th anniversary date of the date of the Licence Agreement or the official end date of Feed-in Tariff Scheme of CLP Power or the end date of the renewed period of such Feed-in Tariff Scheme, whichever is earlier.

Details of the transaction has been set out in the announcement of the Company dated 21 November 2024.

EQUITY-LINKED AGREEMENTS

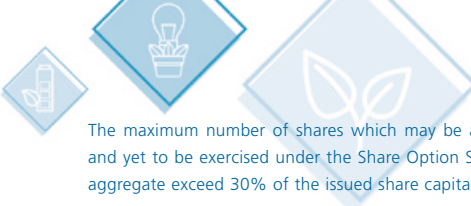
Set out below are the equity-linked agreements entered into by the Company during the 2024-1H or subsisted as at 30 September 2024:

SHARE OPTION SCHEME

The Company has adopted a share option scheme (“**Share Option Scheme**”) which became effective on 26 August 2014 and will remain in force for a period of 10 years until 20 August 2024.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their 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 and any entity (“**Invested Entity**”) in which the Group holds an equity interest.

Eligible participants (“**Eligible Participants**”) under the Share Option Scheme include (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of, or any individual for the time being seconded to work for, the Company, any of its subsidiary or any Invested Entity; (b) any non-executive Director (including independent non-executive Directors) of the Company, any subsidiary of the Company or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) 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; (g) any adviser (professional or otherwise) or consultant to the Group relating to business development of the Group or any member of the Group or any Invested Entity; and (h) any joint venture or business alliance of any member of the Group who have contributed to the development and growth of the Group.



The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The initial total number of shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue as at the date of passing of the relevant resolution adopting the Share Option Scheme ("**General Scheme Limit**"). On 26 September 2018, the General Scheme Limit was refreshed and the maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group has been re-set at 10% of the shares in issue as at the date of approval of refreshing the General Scheme Limit. Further, on 19 July 2021, the share consolidation ("**Share Consolidation**") became effective. Upon the Share Consolidation becoming effective, the Directors were allowed to grant options to Eligible Participants to subscribe for a maximum of 34,520,257 ordinary shares of HK\$0.50 each, representing approximately 7.7% of the issued shares of the Company. Share options in respect of a total of 21,844,000 ordinary shares of HK\$0.50 each have been granted by the Company under the Share Option Scheme to Eligible Participants and have all been exercised during the year ended 31 March 2019.

The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised, cancelled or outstanding options) to each Eligible Participant in any 12-month period shall not exceed 1% of the issued shares of the Company from time to time.

An offer of the grant of option may be accepted by an Eligible Participant within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

Unless otherwise determined by the Directors and stated in the offer for the grant of option to the grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

The subscription price for a share under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of a share of the Company.

On 26 July 2024, the Company has granted (the "**Grant**") share options ("**Options**") to four Directors to subscribe for up to 12,676,257 ordinary shares of HK\$0.001 each in the share capital of the Company ("**Shares**") under the Share Option Scheme. Subsequent to the Grant, no Options are available for future grant pursuant to the Share Option Scheme. Prior to the Grant, the Company had no outstanding Options under the Share Option Scheme, and a total of 12,676,257 Options were available for grant.

A summary of the movements of the Share Option Scheme during the Review Period is set out as follows:

Grantees	Date of grant	Exercise Price (HK\$/share)	Closing price of Shares before date of grant (HK\$/share)	Outstanding as of 1 April 2024	Changes during the Review Period			Outstanding as of 30 September 2024	Exercise period
					Granted	Exercised	Lapsed		
Directors									
Mr. Huang Bo	26 July 2024	0.11	0.087	-	3,169,065	-	-	3,169,065	26 July 2024 to 25 July 2034
Mr. Huang Yuanming	26 July 2024	0.11	0.087	-	3,169,064	-	-	3,169,064	26 July 2024 to 25 July 2034
Ms. Zhang Jinhua	26 July 2024	0.11	0.087	-	3,169,064	-	-	3,169,064	26 July 2024 to 25 July 2034
Mr. Tse Man Kit, Keith	26 July 2024	0.11	0.087	-	3,169,064	-	-	3,169,064	26 July 2024 to 25 July 2034
Total					12,676,257	-	-	12,676,257	26 July 2024 to 25 July 2034

The Options under the Grant are not subject to any vesting conditions, performance targets or clawback mechanism. The fair value of the Options at the date of Grant amounted to approximately RMB619,000, which was calculated using the binomial option pricing model.

During the Reporting Period, no Options were exercised, cancelled or lapsed. A total of 12,676,257 ordinary shares of HK\$0.001 each in the share capital of the Company may be issued in respect of the Options under the Grant.

CONVERTIBLE BONDS

On 1 October 2022, the zero coupon convertible bonds registered in the name of Ms. Zhang Jinhua (the "**Subscriber**") issued on 29 September 2021 with an outstanding principal amount of HK\$32,000,000 and convertible into 12,800,000 ordinary shares (the "**2021 CB**") had matured.

Pursuant to a subscription agreement ("**Subscription Agreement**") dated 30 September 2022 entered into between the Company and the Subscriber, the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to issue convertible bonds in the principal amount of HK\$32,000,000 ("**2022 CB**") at an initial conversion price of HK\$2.5 per conversion share. Under the terms of the Subscription Agreement, the 2021 CB shall be redeemed by the Company on completion of the 2022 CB, whereby the redemption proceeds of the 2021 CB will be applied towards the payment of and be set off against the subscription money payable by the Subscriber for the subscription of the 2022 CB. Details of the subscription are contained in the announcement of the Company dated 30 September 2022.

On 21 October 2022, all conditions of the Subscription Agreement have been fulfilled and completion of the subscription took place in accordance with the terms and conditions thereof. The 2022 CB in the principal amount of HK\$32,000,000 were issued to the Subscriber.

On 20 December 2023, 12,800,000 Shares were issued by the Company as a result of the exercise in full of the conversion rights attached to 2022 CB in the principal amount of HK\$32,000,000.

As at the date of this report, the Company is unable to contact the bondholder ("**Bondholder B**") holding the 2011 CB with an aggregate principal amount of HK\$12,000,000 based on the contact information registered in the register of bondholders of the Company. Further, on 28 May 2021, the Company was notified by the 2021 Subscriber that there is a potential dispute between the 2021 Subscriber and Bondholder B on the ownership of the 2011 CB with an aggregate principal amount of HK\$12,000,000. The Company will keep the Shareholders and potential investors informed of any further material development of the foregoing matters by way of announcement as and when appropriate.



BUSINESS PROSPECT AND FUTURE PLANS

During the Review Period, the global economic situation remained volatile. Ongoing geopolitical conflicts and the tightening monetary policies adopted by central banks in many countries have continued to bring uncertainties to the economic recovery. Despite facing various challenges, governments and businesses around the world still regard carbon reduction and addressing climate change as key agendas.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China, a critical year for implementing the "14th Five-Year" renewable energy plan. China continues to steadfastly advance the goals of carbon peaking and carbon neutrality, promoting the transformation of the energy structure. According to information from the National Energy Administration, in the first half of 2024, the newly installed capacity of renewable energy power generation in China reached 134 million kilowatts (134GW), among which wind power added 25.84 million kilowatts (25.84GW) and solar power added 102 million kilowatts (102GW). The total installed capacity of wind and photovoltaic power generation exceeded that of coal-fired power generation. At the same time, the top-level design for the development of the energy storage industry is continuously improving, with the Chinese government striving to promote the deep integration of photovoltaic and wind energy projects with energy storage. On 29 May 2024, the State Council issued the Action Plan for Energy Conservation and Carbon Reduction for 2024-2025 (《2024-2025年節能降碳行動方案》), proposing the active development of new energy storage, with an installed capacity exceeding 40 million kilowatts (40GW) by 2025, to enhance the consumption capacity of renewable energy and improve the peak-valley difference in electricity load.

The Company continued to seek new business opportunities within mainland China. It is proactively negotiating with a project advancement centre in a county of the PRC, aiming to propel the development of green energy transformation in rural areas. Upholding the core ideology of "One Pole per Village" (一村一杆), we are conducting in-depth research into and discussing the feasibility of this project. Through this cooperation, we aim to ramp up the sustainable development of rural energy and generate economic benefits for local communities and the Company in the long run.

The Company has recently been in an active negotiation with a related party for the provision of operation maintenance, error elimination, regular inspection and troubleshooting services for one of its photovoltaic power stations. An announcement will be published in accordance with the Listing Rules as appropriate when the contract is signed. It is expected to generate stable revenue for the Company and facilitate the Group in undertaking and managing power plant projects.

As disclosed in the announcement of the Company dated 21 June 2024 regarding the EPC Contract, Sanmenxia Baike New Energy Co., Ltd. (三門峽百科新能源有限公司) (the "Sanmenxia Baike"), an indirect wholly-owned subsidiary of the Company, will construct a 30MW/180MWh energy storage power plant (the "Henan Energy Storage Power Plant") located in the industrial agglomeration area of Sanmenxia City, Henan Province, China. The Company obtained approval from independent shareholders on 13 September 2024, and currently, the construction is subject to the finalisation of the land leasing. The Group will continue to supply electricity to the project partner and generate revenue from the Power Plants (as defined in the announcement of the Company dated 22 September 2023) for years to come.

Additionally, we continue to search for new opportunities beyond mainland China (the market in which we primarily operate) and are pleased to announce our successful acquisition of two new energy projects in Hong Kong. As of the date of this interim report, we have acquired two grid-connected rooftop power generation projects located in New Territories West, with a total installed capacity of 554.72KW, and are expected to recognise revenue therefrom. We will continue to explore renewable energy projects in Hong Kong and contribute to building a green and low-carbon city. Meanwhile, we will actively leverage the Scheme of Control Agreement implemented by the Hong Kong SAR Government to accelerate the development of the distributed photovoltaic market in Hong Kong. We hope to acquire more new energy projects to open up new sources of revenue for the Group and help to contribute to Hong Kong's energy transition. Looking ahead, we will continue to closely follow the national new energy development strategy. We will continue to explore new sources of revenue and strive to bring greater value to our shareholders. Finally, on behalf of the Board, I would like to express our heartfelt gratitude to our shareholders, customers, and partners for their unwavering support. Let's work together to promote the energy transition and embrace a bright future with clean energy!

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the period under review (2023-1H: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, 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 any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rule 5.46 of the GEM Listing Rules are as follows:

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SHARES OF THE COMPANY

Name of Directors/ Chief executive	Capacity	Interest in shares	Interest in underlying shares	Total interest in share	Approximate percentage of the Company's issued share capital as at 30 September 2024
Mr. Huang Bo (Note 3) (Executive Director)	Beneficial owner	86,825,934 (L)	3,169,065 (L) (Note 4)	89,994,999 (L)	19.52%
Mr. Huang Yuanming (Note 3) (Executive Director)	Beneficial owner	35,548,238 (L)	3,169,064 (L) (Note 4)	38,717,302 (L)	8.40%
Ms. Zhang Jinhua (Executive Director)	Beneficial owner	12,800,000 (L)	3,169,064 (L) (Note 4)	15,969,064 (L)	3.46%
Mr. Tse Man Kit, Keith (Executive Director)	Beneficial owner	12,489,469 (L)	3,169,064 (L) (Note 4)	15,658,533 (L)	3.46%
Mr. Qiao Wencai (Independent Non-Executive Director)	Beneficial owner	6,000 (L)	–	6,000 (L)	0.001%

Notes

1. The letter "L" represents long positions in the shares or underlying shares of the Company.
2. As at 30 September 2024, the issued share capital of the Company was ordinary shares.
3. Mr. Huang Yuanming is the son of Mr. Huang Bo, an executive Director and substantial shareholder of the Company.
4. The interests were derived from the share options granted by the Company on 26 July 2024 under the Share Option Scheme.



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, the following persons or entities, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Number of ordinary shares (Note 1)	Capacity	Approximate percentage of the Company's issued share capital as at 30 September 2024 (Note 2)
Ms. Li Xiaoyan* (李曉豔女士)	59,094,406 (L)	Beneficial owner	12.82%
Mr. Hou Hsiao Bing (Note 3)	26,228,000 (L)	Beneficial owner	5.69%

* for identification purpose only

Notes:

1. The letter "L" represents long position in the shares or underlying shares of the Company.
2. As at 30 September 2024, the issued share capital of the Company was 460,976,684 ordinary shares.
3. Mr. Hou Hsiao Bing retired as an executive Director with effect from 26 August 2019.

AUDIT COMMITTEE

The Audit Committee was formed on 13 December 2000 with written terms of reference (revised in December 2018) made in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules and posted on the websites of the Company and the Stock Exchange.

The Audit Committee meets at least four times a year to review with senior management and at least twice a year with the Company's auditors for the Company's audit findings, accounting policies and standards, changes of accounting rules (if any), compliance to the GEM Listing Rules, internal and audit control and budget and cash flow forecast.

As at 30 September 2024, the Audit Committee comprised three independent non-executive Directors, namely Mr. Cheung Ting Kin, Ms. Ma Xingqin and Mr. Qiao Wencai, with Mr. Cheung Ting Kin acting as the chairman.

The unaudited consolidated results of the Group for 2024-1H have been reviewed and approved by the Audit Committee.



REMUNERATION COMMITTEE

The Remuneration Committee was established in June 2005.

The Remuneration Committee was established with specific written terms of reference which deal clearly with its authorities and duties. The terms of reference (revised in March 2012) followed the requirements of code provision E.1.2 set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the GEM Listing Rules and were posted on the websites of the Company and the Stock Exchange.

As at 30 September 2024, the Remuneration Committee comprised three independent non-executive Directors, namely Mr. Qiao Wencai, Mr. Cheung Ting Kin and Ms. Ma Xingqin with Mr. Qiao Wencai acting as the chairman.

CORPORATE GOVERNANCE COMMITTEE

A corporate governance committee of the Board (“**Corporate Governance Committee**”) was established with effect from 28 March 2012 with written terms of reference following code provision A.2.1 of the CG Code and posted on the websites of the Company and the Stock Exchange.

The Corporate Governance Committee comprised four executive Directors, namely, Mr. Huang Bo, Mr. Huang Yuanming, Ms. Zhang Jinhua, Mr. Tse Man Kit Keith and Ms. Hu Xin, with Mr. Tse Man Kit Keith acting as the chairman. The primary duties of the Corporate Governance Committee are, among other things, to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board and to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements.

NOMINATION COMMITTEE

The Nomination Committee was established with effect from 28 March 2012, with written terms of reference (revised in December 2018) following the requirements of code provision B.3.1 of the CG Code and posted on the websites of the Company and the Stock Exchange.

As at 30 September 2024, the Nomination Committee comprised three independent non-executive Directors, namely, Ms. Ma Xingqin, Mr. Cheung Ting Kin and Mr. Qiao Wencai, with Ms. Ma Xingqin acting as the chairman of the Nomination Committee.

The Nomination Committee is responsible for considering suitable candidates to serve as Directors and making recommendations on the appointment and termination of service of Directors. The Nomination Committee selects and nominates candidates based on whether they possess the skills and experience required by the Group’s development.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

As at 30 September 2024, none of the Directors or his/her close associates had an interest in a business which competes or may compete with the business of the Group.

The Company did not have controlling shareholder as at 30 September 2024 and as at the date of this report.



PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the shares of the Company during 2024-1H.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the period under review.

CORPORATE GOVERNANCE CODE

During 2024-1H, the Company has complied with all the code provisions set out in the Corporate Governance Code (“**CG Code**”) as contained in Appendix C1 to the GEM Listing Rules, except for the deviations from code provision C.2.1 as explained below.

CODE PROVISION C.2.1

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

Mr. Huang Bo, being the chairman of the Board (“**Chairman**”) and the chief executive officer of the Group (“**Chief Executive Officer**”), has in-depth knowledge and considerable experience in the Group’s business, and is responsible for the overall strategic planning and general management of the Group. The Board believes that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group’s business strategies and is beneficial to the Group. The Directors will continue to review the effectiveness of the current structure and assess whether separation of the roles of the Chairman and the Chief Executive Officer is necessary.

On behalf of the Board

Huang Bo

Chairman and executive Director

Hong Kong, 28 November 2024

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

Executive Directors:

Huang Bo (Chairman)

Huang Yuanming

Zhang Jinhua

Tse Man Kit Keith

Hu Xin

Independent non-executive Directors:

Cheung Ting Kin

Ma Xingqin

Qiao Wencai